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## Roh's Foes Renew Charges of Fraud



Kim Young Sam claims victory at a Seoul press conference on Thursday.

### Both Kims Seem Uncertain About Future Strategy

By Clyde Haberman

New York Times Service

SEOUL — Stunned by their decisive defeat in South Korea's presidential election, rival opposition leaders on Thursday declared the results void because of what they called massive fraud, and pledged to step up their anti-government resistance.

But the two leaders, Kim Dae Jung and Kim Young Sam, appeared uncertain about their next move. Nor did they seem inclined for now to set aside personal differences that were exacerbated by progressively nasty campaign rhetoric.

Both had to deal not only with an unfriendly government but also with disillusioned supporters who blamed the opposition's defeat on their inability to resolve their conflicting ambitions to become president.

Kim Young Sam said that the ruling party had resorted to wholesale cheating to win, and he called the balloting "a coup d'état in the name of election."

"I must declare this election null and void," he said at a press conference.

At a separate session with reporters, Kim Dae Jung struck a similar theme, but his tone was more subdued. He said he wanted to meet with other dissident leaders before deciding what to do.

"I am carefully watching the attitudes of our people, especially in this election fraud," he said.

Groups of protesters tried to stage demonstrations in Seoul and the southern cities of Kwangju and Taegu, where riot police opened fire with tear gas. But the clashes were minor and fell far short of opposition calls for nationwide protests.

Seoul and other cities were generally quiet, but many people feared that the calm would not last beyond Friday, a day reserved by dissident groups for post-election demonstrations.

In the meantime, the victorious ruling party candidate, Roh Tae Woo, exuded confidence as he spoke of national reconciliation as the first major assignment for his presidency. "The task is to heal all the wounds that came about through this campaign," he said.

Still-incomplete election returns gave Mr. Roh a solid two-million-vote lead over Kim Young Sam, with Kim Dae Jung trailing in third place by 200,000 votes. Two other candidates, Kim Jong Pil and Shin Jong Pil, lagged far behind.

The government's National Election Commission said that with 97 percent of the vote counted, Mr. Roh had 37.2 percent. The Associated Press reported that Kim Young Sam was in second place with 27.7 percent, followed by Kim Dae Jung with 26.8 percent and Kim Jong Pil with 8 percent.

[The commission rejected opposition charges of vote fraud. Officials said formal announcement of the final result was not expected before Saturday.]

Mr. Roh's victory margin was startlingly big, given the fact that many political analysts had considered the election too close to call.

But he could hardly claim a sweeping mandate for the five-year term that he will begin in late February as heir to the unpopular President Chun Doo Hwan. With his share of the vote at only 37.2 percent, he may have to struggle at the start to assert his legitimacy.

"I am aware that a considerable portion of the vote went to the opposition candidates," he said, adding that he would "reflect the wishes" of those voters in his policies.

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## Enmity and Hardship Seal OPEC Discord

By Youssef M. Ibrahim

New York Times Service

PARIS — Some industry analysts may feel confident that a resourceful OPEC can halt the slide in oil prices that began Monday, when the cartel reached only a vague agreement in its effort to curb runaway production and price discounting.

But many in the cartel, as well as industry experts who observed OPEC's meeting in Vienna, say that political divisions and economic hardship have cut too deeply into the group's cohesion.

Officials of the Organization of Petroleum Exporting Countries believe that without a firm OPEC operating plan, oil prices could fall as low as \$12 a barrel by spring. Oil now is trading at about \$15 a barrel.

In the last four days alone, prices have fallen by more than \$2.

"We are slowly sliding back into a price war," said Norrdine Ali-Laoussine, president of Nalco, a Geneva-based oil consulting firm.

OPEC's biggest problem by far is the Iran-Iraq war. The vendetta between the two countries has superseded economic good sense in OPEC circles. As one Arab oil minister put it, the war between these key OPEC

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players "has taken a 14th seat among the 13 members" of the cartel.

"Blood is more precious than oil," said this Arab oil minister, who asked not to be identified. "Where oil prices land in this light is secondary."

With Iraq stands OPEC's most powerful

producers of oil: Saudi Arabia, Kuwait and the United Arab Emirates.

In an accord endorsed Monday by all members except Iraq, OPEC chose to maintain its reference price at \$18 a barrel and limit output to 15.6 million barrels a day. But market prices plunged because the accord did not address the issues of discounting or overproduction.

ominously for OPEC, the latest crisis arrives at a time when the Saudis are no longer willing to shoulder the responsibility for supporting prices. Saudi Arabia, the world's largest exporter of oil, previously had acted as the so-called "swing producer," cutting its output when necessary to bolster prices.

Last week, the Saudis emphatically refused "to give again" to reduce their market share to save oil prices. The Saudi oil minister, Hisham Nazer, said, "The ball is in everyone's court, not just ours."

That vow contrasts with Saudi Arabia's attitude in early 1986, when it allowed its production to slide to 2 million barrels a day in an effort to raise prices.

"You will see there is a world of difference" now, an OPEC delegate from Venezuela said.

This time, Saudi Arabia says it will produce more oil.

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### Oil Prices Breach \$15

United Press International

NEW YORK — Oil prices plunged by more than \$1 a barrel on world markets Thursday before recovering somewhat in hectic trading unleashed by OPEC's market shift accord on pricing and production.

West Texas intermediate, the benchmark U.S. crude for immediate delivery, ended 12 cents lower for the day at \$15.84 a barrel after crashing through the \$15 mark to \$14.90 a barrel early in the session.

It was the oil's lowest closing price since Dec. 15, 1986, when it ended at \$15.50. The U.S. crude has tumbled by \$2.47 this week. Japanese officials said the fall in prices had eased pressure on the United States to call for a Group of Seven meeting. (Page 15.)

## Husak Resigns As Party Head in Czechoslovakia

By Jackson Diehl

Washington Post Service

Gustav Husak, the politician who imposed a harsh Communist orthodoxy on Czechoslovakia after the 1968 Soviet-led invasion and who steadfastly resisted changes through 18 years in power, has resigned from his post as head of the country's Communist Party, the official CTK press agency said Thursday.

Mr. Husak, 74, was replaced as secretary-general of the party by Milos Jakes, 65, a Central Committee secretary specializing in economic affairs. Mr. Husak retained his positions as state president and member of the Politburo.

The resignation Wednesday represented the first change in the cast of mostly elderly East bloc leaders who were in place when the Mikhail S. Gorbachev came to power in the Soviet Union in 1985 and who have often appeared resistant to both the content and style of Mr. Gorbachev's drive to alter Communist ways.

Mr. Husak, who suppressed some economic and political changes in Czechoslovakia that have since been adopted in the Soviet Union by Mr. Gorbachev, has been seen as a principal obstacle to any move by the Czechoslovak party to reverse course and join Mr. Gorbachev's drive for change.

General analysts said that his resignation could allow the Prague leadership more freedom to act on policy and more leeway to reconsider the policies of Alexander Dubcek, who created the program of "socialism with a human face" before the 1968 intervention.

Nevertheless, Western diplomats and Czechoslovakian dissidents said the change did not in itself signal any radical shift in the party, which remains dominated at the top by mostly elderly conservatives.

Mr. Jakes, whose name is pro-

nounced Ya-Kesh, has failed during nearly 20 years in senior party positions to create a strong political profile of his own.

"Any change is good — but just because it is a change, not because of the people involved," said Jiri Dienstbier, a leader of the Charter 77 movement, the leading human rights group in Czechoslovakia.

"Jakes is the grayest, the biggest nonperson of any of the possible candidates," Mr. Dienstbier said, so no one can really say what to expect from his leadership.

One of Mr. Jakes' first tasks, and a key test, will be the direction of a complex program of economic reforms that was slowly taking shape in the final months of Mr. Husak's administration.

Nominally inspired by Mr. Gorbachev's program of perestroika, or restructuring, the Prague version presently foresees a more modest decentralization of economic administration than that adopted by Moscow, and postpones any concrete action until the end of the decade.

The same meeting of the party Central Committee that accepted Mr. Husak's resignation on Wednesday was expected to debate a document on the reforms and possibly adopt a resolution concerning it on Friday.

During the celebrations in November of the 70th anniversary of the Bolshevik revolution, a Soviet historian, Georgi Smirnov, said that Moscow perceived a need to reconsider the events of 1968. The remark was interpreted by some Western analysts as the beginning of a partial Soviet rehabilitation of the period of reform known as the "Prague spring." Such a Soviet move, Western analysts said then, might undermine Mr. Husak's government.

Mr. Husak answered with a speech that stressed what he said

See CZECH, Page 2



Earthquake Kills 2, Injures 53 in Japanese Prefecture

Hundreds of people running for a bus in Chiba, Japan, after train service was suspended Thursday because of an earthquake. The quake killed two persons, injured 53 and damaged more than 7,500 homes. Chiba Prefecture, bordering Tokyo to the southeast, was hardest hit. The quake there measured 5 on the Richter scale. In Tokyo its magnitude was 4, and at its epicenter off the coast it registered 6.6. Authorities said damage was limited by the depth of the epicenter and by strict building codes.

## On Afrikaners' Big Day, Change Is in Air

By John F. Burns

New York Times Service

PRETORIA — As recorded bells rang through the marble chamber of the Voortrekker Monument, a broad-shouldered man put his arm around his small daughter and peered with her over the parapet to the floor below. After a moment, he pulled a handkerchief from his pocket and dabbed his eyes.

It was noon on the Day of the Covenant, the most sacred event in the calendar of the Afrikaners, the white tribe that dominates the government of South Africa.

Each year, Afrikaner families crowd into the free granite monument outside Pretoria for a moment of almost mystical significance as a shaft of sunlight pierces an opening in the roof and falls across a cenotaph 135 feet (41 meters) below.

At the gathering Wednesday, though, there was little of the ceremony that has marked the anniversary of the Battle of Blood River in 1838, a decisive encounter that delivered a few hundred Afrikaner pioneers from obliteration by a vastly greater number of Zulus, the weather cooperated.

A few minutes before noon, a thick cloud cover parted for the harsh sunlight of the South African summer. On schedule, a shaft of light passed across the words "Ons Vor Jou, Suid Afrika" (We For Thee, South Africa), emblazoned on the cenotaph's marble top.

The tone of the occasion, however, was set in the sermon delivered by Fiet Naudé, 44, a minister in the Herengat Kerk, a conservative branch of the Dutch Reformed Church that was for many years a stronghold of apartheid.

From a lectern adorned with blue and white agapanthus flowers, Mr. Naudé made an appeal for the abandonment of ideas that infused Afrikaner nationalism in the past, and their replacement with a new humanitarianism.

The minister took his theme from the Old Testament account of the Jews' journey into Israel. In the past, biblical passages citing God's favor to the people of Israel have been used, by analogy, to justify the Afrikaners' pre-eminence in South Africa, but Mr. Naudé told the gathering that the real lesson of the Old Testament was that the Jews were blessed by God only as long as they remained faithful to His teachings, and that these included consideration and respect for other human beings.

The sermon was delivered in Afrikaans. In an English summary that he offered a reporter afterward, Mr. Naudé said his central point had been that the notion of Afrikaner nationalism was a domestic political game, the recent visit to Washington of Mikhail S. Gorbachev by inviting Soviet supporters to breakfast with the Soviet leader. "It shows something about the character of that fellow," said Mr. Naudé, adding, "Is he tough enough to deal with Gorbachev? No."

He assailed Mr. Bush's record as vice president, saying, "All those things he was assigned to do he did poorly." He cited the jobs of heading teams to curb drugs, reduce government regulations and deal with terrorism.

Mr. Haig was especially caustic about Mr. Bush's denial that he was aware of the diversion of funds from Iranian arms sales to Nicaraguan rebels.

"I couldn't believe how George Bush skated around and floated around in a boat, the way he did, with the president taking all the heat," Mr. Haig said. "I find it very difficult to understand how he could know every detail" of the arms treaty "and be totally unfamiliar with it. It's a contradiction in terms," he said.

On Wednesday, on the 149th anniversary of the Battle of Blood River in 1838, a decisive encounter that delivered a few hundred Afrikaner pioneers from obliteration by a vastly greater number of Zulus, the weather cooperated.

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On a personal level, he said, what disturbed him was that at recent campaign appearances in Florida and Virginia, one of Mr. Bush's sons introduced the vice president "by reading his Distinguished Flying Cross citation."

"I've known George for 25 years," Mr. Haig, 62, told about 50 supporters gathered at a rest estate office here he is not. "A courageous leader he is not."

Mr. Haig attacked Mr. Bush for "cheapening" and "unraveling" and "turning into a domestic political game" the recent visit to Washington of Mikhail S. Gorbachev by inviting Soviet supporters to breakfast with the Soviet leader. "It shows something about the character of that fellow," said Mr. Naudé, adding, "Is he tough enough to deal with Gorbachev? No."

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### Kiosk

#### Karpov Takes Lead in Match

SEVILLE, Spain (AP) — Anatoli Karpov, the challenger, scored a victory Thursday in the penultimate game of the world chess championship, putting him in position to take the title from the champion, Garry Kasparov.

Mr. Karpov won the 23d game, which had been adjourned Wednesday, in 57 moves. Mr. Karpov needs only a draw in Friday's final game to regain the title he held for 10 years but lost to Mr. Kasparov in November 1985. Mr. Kasparov must win Friday's game to remain the champion.

Position of adjournment.

White: Karpov Black: Kasparov

41. Rd1 N5 20. Rd2 K77

42. Rd3 Q7 21. Rd1 K88

43. Rd4 R77 22. Rd2 K89

44. Rd5 R77 23. Rd3 K90

45. Rd6 R77 24. Rd4 K91

46. Rd7 R77 25. Rd5 K92

47. Rd8



## Gaza Quiet, but Clashes Occur Elsewhere

By John Kifner  
New York Times Service

JERUSALEM — Israeli troops kept a tight lid Thursday on the occupied Gaza Strip, but scattered demonstrations broke out in Palestinian refugee districts and towns in the West Bank and the Arab sector of East Jerusalem.

A Palestinian shot at the Gaza border town of Rafia died Wednesday. At least 14 Palestinians have been killed by the Israeli Army in the recent violence.

Part of Rafia was put under a daytime curfew, meaning no one could go outside. Army units kept watch at the entrances to refugee camps and patrolled the streets. Nearly all the shops stayed closed in a general strike, despite efforts by the army to make storekeepers open for business.

"I think we are at a level of relaxation," Prime Minister Yitzhak Shamir said on Israeli radio. "The army is trying to return order to these areas to protect the population and their normal way of life."

Shops in Arab East Jerusalem stayed closed in the second day of the strike, called mainly to protest the move by Ariel Sharon, the trade minister, into an apartment in the traditionally Arab Moslem Quarter of the Old City near Damascus Gate.

As defense minister, Mr. Sharon was the architect of the 1982 invasion of Lebanon.

The chief mufti, or Moslem religious leader, Sheikh Saad al-Din al-Alami, decried the "dangerous and infuriating act" by the "butcher of Lebanon, the bloodthirsty Sharon."

The Moslem cleric charged that Mr. Sharon's pious act was part of a plan to "kick out" Arabs from their quarters of the Old City.

The police in Jerusalem broke up several demonstrations in the Arab quarter. There were scattered incidents during the day in Ramallah, Bethlehem, Nablus and Hebron involving commercial strikes.

marches, rocks thrown at Israeli soldiers and the flying of the banned Palestinian flag.

The level of violence was down considerably from last week, although tensions remained high.

On Wednesday night, Israeli television showed a man wearing running shoes, blue jeans and a sweatshirt taking careful aim with a Uzi submachine gun at fleeing demonstrators and firing, while soldiers stood by.

The army command ordered an investigation. The man was identified as an agent of Shin Bet, the internal intelligence service.

The Israeli press and government was preoccupied Thursday

not so much with the events themselves, but at the adverse foreign reaction.

Israel's handling of the disturbances has brought strong official criticism from abroad, even from normally friendly countries, including the United States.

The Israeli Foreign Ministry set up a special unit to send information on the unrest to its embassies abroad, apparently in an effort to dispel the poor impression.

Request Sent to Mubarak  
Mr. Shamir has asked President Hosni Mubarak of Egypt to invite him and King Hussein of Jordan for talks on Middle East peace, Mr.

Shamir's spokesman said Thursday. Reuters reported from Jerusalem.

Mr. Shamir wrote to Mr. Mubarak that the renewal of ties between most Arab countries and Egypt after the Arab summit meeting in November in Amman, Jordan, put Egypt in a position to play host to such talks, the spokesman said.

Mr. Shamir suggested that Mr. Mubarak try to persuade Hussein to take part, the spokesman said. Egypt and Jordan have called for a United Nations-sponsored international peace conference, which would include the Soviet Union and the United States.



## Iran Boats Attack Gulf Ship as U.S. Stands By

By John H. Cushman Jr.  
New York Times Service

ABOARD USS LA SALLE, in the Gulf — Iranian gunboats attacked and set afire a cargo ship flying the Maldivian flag in the Gulf on Thursday. A U.S. warship nearby did not become directly involved in the episode.

The Chandler, an American guided missile destroyer, which on Saturday helped rescue crew members from a Cypriot-flagged oil tanker in the same area, sent a helicopter and a small boat to the scene Thursday, but the crew abandoned ship without the U.S. Navy's help.

Officials on board the La Salle, command ship for U.S. forces in the Gulf, said no assistance was needed. The cargo ship was carrying sulphur from Saudi Arabia out of the Gulf. The crew left on lifeboats.

Saturday, the oil tanker was spilling flaming fuel into the water, and the crew was removed by the Chandler's helicopter and by a helicopter chartered by a CBS News crew.

A few hours after the first attack on the Maldivian cargo ship Island Transporter, the Iranians again opened fire on the ship, on a fire-fighting salvage tug that had retrieved the crew, and on a CBS News helicopter that again was working in the area.

The two episodes have drawn renewed attention to the role being played by U.S. warships on patrol in the Gulf, where they are allowed to intervene only when U.S.-flagged merchant ships or navy warships are under attack or in imminent danger, or to aid mariners in distress.

According to shipping officials in the Gulf, the initial attack on the cargo ship occurred around dawn, when gunboats approached and fired rocket-propelled grenades.

The Chandler was in the area at the time and is believed to have known that the attack was coming. The Chandler, not the merchant vessel, was first to air a call for assistance on civil maritime frequencies.

The ship carried a crew of 27, all of whom escaped safely.

Lloyd's Details Attacks  
Karen DeYoung of The Washington Post reported from London: The incident brought to 19 the number of attacks against merchant shipping by Iranian or Iraqi forces in December, according to Lloyd's Maritime Information Services, who monitor worldwide shipping activity.

With two weeks still to go, December's total already is nearing the records of October and November, during each of which there were 21 attacks. According to Lloyd's, there have been 163 attacks this year for a total of 421 since May 1981.

Officials in London said that, rather than calming the tanker war, the increase in foreign warships this year in the Gulf, now estimated at approximately 80 Western vessels, appeared to coincide with the recently stepped-up attacks.

Analysis in the Gulf said the Iranian escalation may be timed to precede an expected ground offensive against Iraq.

Half of this month's attacks came from Iraq. Its air-launched missiles have had far more devastating effects on their targets.

## Rumors Fan Violence in Occupied Areas

By Dan Fisher  
Los Angeles Times Service

GAZA, Israeli-occupied Gaza Strip — According to one of the rumors circulating here, Palestinian youths wounded by Israeli soldiers in the unrest have been taken to an army hospital near Tel Aviv to be "finished off."

Another rumor, spread over poison loudspeakers, has it that Israeli soldiers poisoned a water reservoir in the village of Khan Yunis.

And many people, Israeli as well as Palestinian, say it may have been a rumor that touched off the violence that has claimed 14 Arab lives in the West Bank and Gaza Strip territories in the past nine days. According to that rumor, four Gazans who were killed in a Dec. 9 traffic accident were the victims of a deliberate Israeli act of revenge.

Few would argue seriously that rumors are the cause of the continuing clashes in the areas occupied by Israel in the 1967 Arab-Israeli war. The unrest, particularly in the Gaza Strip, is rooted in Palestinian poverty, overcrowding and political frustration.

But in recent days, Gaza and the West Bank have become a case study in the way rumors flash through communities with no reliable machinery for public information, and in how those rumors fan any spark of

confrontation between rulers and their unwilling subjects.

"There's definitely a 'bush telegraph' that's very active, and not always accurate," said William Lee, public information officer for the Gaza-West Bank office of the UN Relief and Works Agency for Palestinian refugees.

"The reason this is so prevalent, and not just in times of trouble, is the tremendous feeling of insecurity that these people have," Mr. Lee said. "It's the feeling of being victimized. You tend to take any information that comes to you and interpret it as being your situation."

The authorities have taken action on the rumor front, meeting with Gaza officials weekly in an effort to quash false reports and enlist their help in restoring order.

"It has its effects," Zohair Keyes, a Palestinian lawyer and journalist from Gaza, told an interviewer, referring to the rumor mill. "People are so worried and jumpy that rumor just pulls the trigger."

Mr. Keyes cited a clash that took place in Beit Hanoun, at the northern edge of the Gaza Strip. A youth was shot to death, a dozen people were wounded and, according to a UN spokesman, a 17-year-old girl died under circumstances still not clear. However, Mr. Keyes said, rumor put the number of casualties at 200 at the lowest.

Rumors that foreign reporters are Israeli spies are among the most destructive, Mr. Lee said. Four reporters were roughed up by Palestinians this week, and several reporters' cars were stoned. Mr. Lee attributed the problems to "mob mentality."

UN officials branded as totally false the rumor that wounded Palestinians have been mistreated when taken to Israeli hospitals for treatment. On the contrary, Mr. Lee said, it is usually only the most serious cases that are taken out of the Gaza Strip for treatment.

But two wounded Palestinians have died of their injuries, and other officials say rumors that they were taken to Israel to be "finished off" stem from a natural fear of the country whose soldiers have wounded them. Also, Israeli troops have gone into Gaza hospitals and arrested wounded Palestinians for fomenting unrest.

Soon after the Dec. 9 accident in which four Gazans were killed when their vehicle collided with an Israeli truck, the rumor spread here and to the West Bank that the crash had been intentional. It was said that the truck was an army vehicle and that the driver was related to an Israeli plastics merchant who had been stabbed to death here three days earlier, reports that Palestinian and army sources both deny.

## CZECH: Husak Leaves Party Post

(Continued from Page 1)  
was Mr. Gorbachev's support for party policies. At the same time, he forcefully restated the official, hard-line Czechoslovak party judgment on Mr. Dubcek.

The party maintains that while Mr. Dubcek's administration initially offered promise, it was taken over by "rightist and anti-socialist forces" that "threatened the foundations of the socialist system."

There was some speculation that Mr. Husak, who will be 75 in January, was prompted to resign partly for reasons of age and partly by declining health. The fact that he will remain in the largely ceremonial position of president and retain his seat on the presidium suggested that the change was neither forced nor made suddenly, diplomats said.

Message From Moscow  
John Tagliabue of The New York Times reported from Warsaw: Diplomats in Prague said that the change had been expected there and that Mr. Husak was generally expected to be the successor.

In a report from Moscow, the Tass press agency said that Mr. Gorbachev, in a congratulatory message to Mr. Husak, had urged him to set forth the "restructuring" of the Czechoslovakian economy,

and the "democratization of public and political life."

That appeared to reflect a measure of Soviet dissatisfaction with the pace of change in Prague. Though Mr. Husak had sought to avoid falling out of step with Moscow, he proceeded in recent months prudently and slowly, and appeared determined to limit change largely to economic revisions.

Mr. Husak has a reputation for strict orthodoxy. As head of the party's Control and Auditing Commission in 1968, he oversaw a purge of the party's ranks following the Soviet invasion. Then, tens of thousands of Communists were stripped of their party membership while others were suspended.

He was born Aug. 12, 1922, in the southern Bohemian town of Cesky Krumlov, and after learning the trade of electrician, joined the Communist Party in 1945.

He headed the party's youth organization after 1955, and later studied at the Soviet Communist Party's college in Moscow.

Mr. Husak advanced to membership of the Secretariat in 1977, with responsibility for farming, and became a full member of the Presidium in 1981.

Tass quoted Mr. Husak as assuring the Czechoslovak Central Committee, which confirmed his nomination, that there would be no change in Czech party policy.

U.S. F-16 Crashes in Spain  
United Press International  
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## Carbide Ordered to Pay Interim Relief in Bhopal

By Richard M. Weintraub  
Washington Post Service

NEW DELHI — An Indian judge ordered the Union Carbide Corp. to pay approximately \$270 million in interim relief for the victims of the 1984 gas leak at Bhopal that left more than 2,000 people dead and between 20,000 and 50,000 seriously injured.

Judge M.W. Deo of Bhopal District Court rejected arguments by Carbide lawyers that he had no power to grant interim relief in the case and ordered the multinational company, which is based in Danbury, Connecticut, to deposit the money with the court within two months.

The action appeared certain to raise a major debate among experts who already are sharply divided. It also throws a new element of confusion into a case that has been watched around the world as a test of a multinational company's liability for an industrial catastrophe.

The company said it would appeal the ruling, which it angrily said "ran counter to the laws of India and other democracies."

Crowds outside the courtroom danced in glee over the decision. Lawyers for the government of India, the representative of victims, called the decision excellent, while lawyers for Carbide said only that "we will study the order before taking any action."

Judge Deo, who often has expressed his concern for the victims of the leak, said his interim relief ruling would not prejudice any final ruling.

He said "it cannot be denied that an unprecedented tragedy took place on account of a deadly leak" from Carbide's "hazardous activity of storing deadly material."

"Can it be disputed that many more have become permanently disabled and others still suffered lesser injuries? Will it not be prudent to order payment of a relative sum bearing in mind all the progress in the case so far?"

Robert Berzok, a spokesman for Carbide, said in Danbury that the decision, "amounts to awarding damages without a trial, a practice counter to the laws of India and other democracies. Although we are deeply concerned for the victims, interim compensation has never been allowed where the evidence with respect to liability is in dispute."

He said that because of "strong evidence" that the tragedy was caused by employee sabotage, liability was "in serious dispute and has not been determined."

India is seeking \$3.3 billion in damages for the devastation that

followed the leak from the Carbide subsidiary plant at Bhopal.

Carbide now can appeal the decision within the Indian system and ultimately back to the U.S. courts. At the same time, both sides must prepare for the court arguments on the case itself, a process which is expected to be long and involved.

Also left unresolved are discussions on a negotiated settlement, made more involved by the interim order.

Indian officials familiar with the case, on the other hand, welcomed the decision as a step forward in the legal process, an indication that the government strategy appears to be to put pressure on Carbide for an enhanced negotiated settlement by pressing its case in the courtroom.

The disaster spawned a rash of lawsuits brought first in U.S. courts and then shifted to a Special District Court in Bhopal when Judge John F. Keenan of the Southern District Court of New York ruled that India was the proper place for the case to be tried.

Meanwhile, attorneys for Carbide and the government of India had been working for months on a negotiated settlement and were believed to have been closing in on a deal of between \$500 million and \$650 million. When they told Judge Deo on Nov. 18 that they had not yet reached an accord, however, he ordered trial proceedings to begin.

## TRIBE: Afrikaners Facing Change

(Continued from Page 1)

the Afrikaners as a privileged group had no basis in the Bible. "There is no such thing as being an elect people," he said between pauses for congratulations on his sermon by members of the congregation. "As I see it, if our lives are to be based on a belief in righteousness, what is immediately ruled out is any question of any one person or group deciding for others."

Such attitudes are far from universally accepted; at Covenant Day ceremonies elsewhere across the country Wednesday, speakers belonging to conservative opposition groups urged the rejection of any moves toward a racial accommodation of the black majority.

Still, the idea of a political deal with blacks is no longer a marginal thing among Afrikaners. The country's president, P. W. Botha, rarely speaks without stressing government commitment to equality between racial groups. But the political arrangements Mr. Botha appears to favor are complex ones that would deny blacks the goal of outright majority rule that many of their leaders have demanded.

Mr. Geyser's sermon was one measure of how the new views are gaining acceptance. The evolution of attitudes could also be measured by an exchange that occurred after the ceremony.

As a reporter talked with Dawid Roosenburg, a member of the green-shirted Afrikanse Weerstandbeweging, a group that supports white supremacy, a voice from the crowd declared: "Don't say that you speak for Afrikaners, man! You should be ashamed of yourself."

The speaker introduced himself as Nic Claassen, 33, a procurement manager in a Johannesburg-area silver refinery and a member of the governing National Party.

While Mr. Roosenburg stood to one side mouthing angry rebuttals such as "You're pink, man!" Mr. Claassen said that he and 70 percent of all Afrikaners "had come to the view that some form of negotiated settlement was essential."

"I just don't see how we can survive in this country without working out our future with the other people," he said.

## WORLD BRIEFS

### CIA Punishes 4 in Iran-Contra Affair

WASHINGTON (UPI) — The director of the Central Intelligence Agency, William H. Webster, said on Thursday that he has dismissed or reprimanded four agency employees found to have acted improperly in the Iran-contra affair. The activities in question took place between 1984 and 1986, while William C. Casey, who died last May, was agency director.

An intelligence source who asked not to be identified said that those disciplined included Duane Clarridge, the CIA official in charge of counterterrorism and formerly head of covert operations in Latin America, and Alan Fiers, who headed Central American operations, who were reprimanded. Joe Fernandez, the Costa Rica station chief, and the base chief at Aguacate, Honduras, were discharged.

Mr. Webster's action was largely directed at findings in an internal inquiry that CIA employees had assisted Nicaraguan rebels in violation of the Boland amendment, which at the time banned official U.S. military aid.

### Deaver Prosecutor Hits U.S. Leaders

WASHINGTON (AP) — The prosecutor in the trial of Michael J. Deaver on perjury charges harshly criticized the Reagan administration on Thursday and said that the conviction of the former close aide to President Ronald Reagan was only a "thumb in the eye" against the flood of influence peddling in Washington.

At a press conference, Whitney North Seymour Jr. accused the Reagan administration of tolerating "backdoor and back-stairway favor buying." In a separate statement he referred to "vast sums of money" spent by corporations and foreign governments "to buy influence and favors," and said that "until the attitudes of government leaders change, there is little that prosecutors can do except put a thumb in the eye."

Mr. Deaver was convicted Wednesday of lying to a House panel and a grand jury that investigated the propriety of lobbying he did after he resigned as deputy White House chief of staff.

### Londonderry Bombs Kill 15, Injure 15

LONDONDERRY, Northern Ireland (AP) — Two time bombs exploded on doorsteps in a Protestant housing project, killing one man, injuring 15 other people and damaging 50 houses, police said Thursday. Police blamed the Irish Republican Army for the Wednesday night attack, but the outlawed guerrilla group denied responsibility.

The bombs, left in cloth bags, exploded outside two houses 50 yards (45 meters) apart in a housing project in the Waterside district of Londonderry, Northern Ireland's second-largest city. Police said the bombs contained timing devices and about 5 pounds (2.2 kilos) of explosives each.

### U.S. Producing New Chemical Arms

WASHINGTON (Reuters) — The United States has ended an 18-year moratorium on the production of chemical weapons and is filling canisters for artillery shells that would spread toxic nerve gas over targets, the Defense Department said on Thursday.

The canisters of inert chemicals are designed to be inserted into a 155mm shell, the first member of a new family of binary weapons in the U.S. military. Such binary shells will contain separate, harmless components that combined do not form deadly agents until they are fired from guns or dropped from aircraft.

In Geneva on Thursday, U.S. and Soviet negotiators adjourned their latest round of talks aimed at banning production, deployment and stockpiling of chemical weapons, an official U.S. statement said. There was no immediate indication what progress was made during the talks.

### For the Record

About 220,000 people died in Soviet road accidents over the past five years, a newspaper said Thursday. Socialistcheskaya Industriya said one-fifth of the deaths were due to drunken driving. It said 50,000 people had died in accidents this year and 250,000 were injured. (Reuters)

A British ferry captain failed in his appeal to clear himself of blame for a disaster off the Belgian coast in which the ferry Herald of Free Enterprise capsized on March 6, killing 193 people. Captain David Lewry was turned down in an appeal to a high court in London. (AP)

## TRAVEL UPDATE

### All U.S. Airline Staff Subject to Checks

WASHINGTON (AP) — The Federal Aviation Administration, responding Thursday to criticism of lax security at major airports, ordered airlines to require all employees, including uniformed flight crews, to pass through airport security checkpoints.

The agency also said it would soon take regulatory action aimed at requiring airlines to make increased use of computers to keep track of identification badges used by its employees as well as other workers at major airports. The directive goes into effect Monday.

The action occurred as congressional investigators said at a House hearing that they found widespread security problems at major airports, with inadequate passenger screening, lax control over employee security badges and thousands of badges missing.

### French Pilots, Mechanics End Strike

PARIS (UPI) — Pilots and technicians of the French domestic carrier Air Inter ended a two-day strike Thursday and airline officials said normal service would be restored Friday for holiday travel.

Air Inter spokesmen said 77 of 324 scheduled flights were canceled Thursday as navigators and technicians struck in objection to plans for smaller air crews in the new Airbus A-320. Officials said 250 flights would be added on Friday, Saturday and Sunday to meet the pre-Christmas rush.

Passenger traffic on Alitalia, the Italian national airline, increased by 11 percent in the first 11 months of 1987, a spokesman for the airline said Wednesday in Florence.

Relative calm returned to Rome's Leonardo da Vinci airport on Thursday as striking ground workers abided by a Christmas truce, suspending protests that have caused havoc for air travelers for months. (Reuters)

The Oslo city council, trying to cope with traffic problems, has decided to impose a toll of 10 crowns (\$1.50) on private vehicles entering the city, beginning in the spring.

The state road from Sondrio, Italy, to the Italian resort of Bormio, swept away by landslides and flash floods in July, was reopened to traffic on Sunday. (AP)

### KOREA: Kims Cite Fraud in Vote

(Continued from Page 1)

Since even before the campaign formally began a month ago, Mr. Roh has sought to persuade South Koreans that he will rule more democratically than the Chun government, which he helped install in 1980 through a military coup.

The election was the first opportunity South Koreans had to choose their national leader directly since 1971. Moreover, Mr. Roh will be the first president in the last 27 years whose initial rise to power has come through the ballot box and not an army uprising.

Still, one day after their election, many Koreans were not convinced that their experiment with democratic progress would necessarily take hold and flourish. Concern ran high that they were in for a period of protest and uncertainty.

At a special meeting of cabinet ministers responsible for security, the government was reported to have decided to crack down on street protests from now on. The police were placed on special alert across the country. In Seoul, officers lined downtown streets in anticipation of disturbances.

Most South Koreans were trying to decide whether their first true presidential election in 16 years had gone smoothly and, more to the point, fairly. On that critical question, the jury still seemed to be out.

Perceptions of the election's integrity are expected to go a long way to determine whether widespread disorders erupt and possibly sweep up the general public, or

whether only hard-core militants take to the streets.

Dissident groups Thursday repeated and amplified charges of pervasive cheating at polling places and counting stations. Among the more common unfair practices attributed to the ruling party were payoffs to voters, switching of ballot boxes and tampering with individual ballots.

But many neutral analysts were not persuaded that these incidents, taken together, constituted proof of systemic election fraud. "There's no smoking gun," a university political scientist said. "At least there's no gun big enough to support claims that it made a difference."

Some people in the opposition focused Thursday on possible computer fraud, raising questions about the integrity of procedures for counting the 23 million paper ballots. Here again, there was no hard evidence of wrongdoing. But in determining the prospects for short-term stability, perceptions may count as much as reality.

Koreans of all political stripes were startled to find Mr. Roh finishing a close second to Kim Dae Jung in Seoul, normally an anti-government center. That topped off alarms among some skeptics.

Computer tabulations made by an anti-government group called the National Coalition for Democracy reportedly showed different vote totals from the official figures. There was no evidence, however, that this operation had been run more professionally than the government's. Besides, Mr. Roh was the winner anyway, although by a smaller margin.

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**PANAMANIAN STUDENTS PROTEST** — One of six government vehicles burning in Panama City in a protest of the National Defense Force's "Loyalty Day" by a small group of university students. General Manuel Antonio Noriega, the country's de facto leader and the target of much recent protest, is the commander of the force.

## Summit Creates Confusion on Nicaragua

### Soviet Intent Still Unclear

By R.W. Apple Jr.

**WASHINGTON** — President Ronald Reagan's brief discussion of Nicaragua with Mikhail S. Gorbachev last week has produced confusion about the Soviet leader's intentions in Central America.

All over official Washington, people concerned with the region are trying to answer two series of

questions and having trouble doing so. As a Republican senator said Wednesday, "We're getting a lot of information, and it is making the situation more opaque by the minute."

It is unclear, to begin with, precisely what Mr. Gorbachev proposed to the president as they strolled in the White House garden just before lunch on Dec. 10. Mr. Reagan told reporters at a brief picture-taking session Tuesday that Mr. Gorbachev had expressed his willingness to halt arms shipments to Nicaragua, except for "police-type weapons."

According to Mr. Reagan, Mr. Gorbachev made no explicit demand for any U.S. action as part of a deal, although some White House officials believe that he was implicitly asking for an end to U.S. aid to the Nicaraguan defense minister, Humberto Ortega Saavedra, in a speech Saturday.

But the Soviet Foreign Ministry spokesman, Boris Pydyshew, was quoted Wednesday by Tass as saying that Mr. Reagan's account of the exchange was "at odds with reality."

According to the Soviet press agency, Mr. Pydyshew reported that Mr. Gorbachev had suggested to Mr. Reagan that Moscow and Washington "agree on a reciprocal basis to review possibilities for promoting the process of peaceful settlement in Central America."

"First, our idea is related to the entire Central American region," Tass quoted the spokesman as saying. "Second, it provides for reciprocal Soviet and American pledges to refrain from deliveries of weapons."

Which account is correct, the mystery deepens. Why didn't Mr. Reagan reply to Mr. Gorbachev's proposal? When reporters asked him that Tuesday, he did not respond; instead, he looked at a

note card and said, "This is a subject we are going to be discussing for some time."

A figure familiar with the National Security Council was unable to shed much light on the situation. He said that the subject of Nicaragua had not had a high priority at the summit conference, that it had arisen relatively late and that other business must have preoccupied the leaders until Mr. Gorbachev left Dec. 10.

But the national security figure was unable to explain why there was no time for at least an exploratory question or two on a matter so central to one of Mr. Reagan's major policy preoccupations.

At meetings Wednesday, the administration was exploring possible means of sounding out the Russians on the Mr. Gorbachev's intentions. The source said "our clear intent is to press this question." But Mr. Pydyshew said the Soviet Union was still awaiting clarification from Washington.

It also is unclear why Mr. Reagan did not raise with Mr. Gorbachev the information supplied some time ago by Major Roger Miranda Bengochea, a defector from Nicaragua.

He told the administration, as he subsequently told reporters and others, that the Soviet Union was planning a military buildup in Nicaragua that would include the provision of MIG-21 fighter planes and the doubling of the Sandinist armed forces to 600,000. The report was largely confirmed by the Nicaraguan defense minister, Humberto Ortega Saavedra, in a speech Saturday.

With more aid to the Contras under consideration in the U.S. Congress, the supporters of the rebels seized on Major Miranda's information as proof of heavy Soviet involvement. The major's story appears to have improved the prospects for U.S. assistance.

A State Department official suggested strongly that from the start the administration saw Major Miranda as a useful pawn in domestic political terms.

### Bizarre Post-Invasion Plan

By Bernard E. Trainor

**NEW YORK TIMES SERVICE**

**MANAGUA** — From a military standpoint, one of the more bizarre revelations by a Nicaraguan defector in Washington last week was his description of the Sandinist plan to cope with a U.S. invasion of Nicaragua.

Major Roger Miranda Bengochea told American journalists that if the United States invaded Nicaragua, the Sandinist government

would try to "regionalize the conflict."

Major Miranda, the former top aide to Defense Minister Humberto Ortega Saavedra, said that in the event of an invasion Sandinist troops would carry the war into Honduras to the north and bomb Costa Rica to the south. Support for rebels in El Salvador was also cited as a way to expand the conflict beyond the borders of Nicaragua.

The plan is to cause chaos that "could lead to a popular uprising in favor of the Sandinistas," Major Miranda said.

He also said that because the Sandinists did not believe they could defeat an invasion, they would draw the United States into a guerrilla war until international pressure forced it to leave Nicaragua.

If what Major Miranda said is true, the Sandinist plan is unrealistic on a number of counts.

There is no evidence to suggest that a regionalization of the conflict would lead to popular uprisings elsewhere in the region. Costa Rica now faces no internal security threat, while the small insurgency in Honduras is under control and without significant organized strength.

El Salvador has an active and bloody guerrilla war, but military experts on the region say that the Salvadoran rebels are not now capable of increasing the war significantly and that their prospects of doing so in the foreseeable future are remote.

Even bombing attacks into Costa Rica appear unrealistic. Nicaragua's Air Force is insignificant and would be unable to do much against Costa Rica.

Even if the Sandinists received the squadron of MIGs that Major Miranda said Managua had requested from the Russians, there is little likelihood that any of them would survive any preinvasion bombing raid by U.S. forces. If they did, the MIGs would be of more military and political use in the defense of Nicaragua than in unprovoked attacks upon Costa Rica, which has no army.

Similarly, the purported plan to stage Nicaraguan ground attacks into Honduras makes little sense. Most of the border between the two countries consists of heavily forested mountains, with few roads. An attack by Nicaragua would achieve

nothing militarily and could not be logistically supported for long. It would also divert forces from the defense of Nicaragua.

The Choluteca Gap in the lowlands to the southwest of Honduras provides the only feasible military route into Honduras from Nicaragua, but this is reportedly the route the Sandinists believe the United States would use in any invasion of Nicaragua.

Military analysts say the best hope for the Sandinists in the face of a U.S. invasion would be guerrilla war in the mountains of Nicaragua. This presumably is part of the Sandinist strategy, as explained by Major Miranda, who defected in October.

The Sandinist leadership is skilled in this form of warfare and used it to overthrow the government of Anastasio Somoza eight years ago. But unlike the case then, it is not clear that the Sandinists would have the popular support in the mountains that they had then.

Major Miranda said one of the reasons he defected was his feeling that many peasants in the countryside opposed the Sandinist regime.

In the event of war against an outside force, the Sandinists would still have to contend with thousands of Contras, who occupy the remote areas to which the Sandinists would have to withdraw to prolong a guerrilla resistance. This would put them at a serious military disadvantage.

The Nicaraguan authorities continue to say they believe that the United States will invade and that the invasion will come from land, sea and air. The United States has maintained that it has no plans to invade.

Publicly, the Sandinists say they can defeat this American strategy, but the revelations made by Major Miranda indicate that privately they have concluded they are not strong enough to stop a U.S. invasion.

### Canada Presents New Tax Package

Reuters

**OTTAWA** — The Canadian government is to impose new taxes on banks and raise the levy on alcohol and tobacco to pay for changes in Canada's tax reform package.

Finance Minister Michael Wilson presented the revised package to the House of Commons on Wednesday. As expected, it sharply lowers personal and corporate tax rates while eliminating numerous deductions.

Tax reform was first proposed to keep Canada in step with major changes in the U.S. tax system. Increasingly, however, it is being seen as the key to the reelection hopes of the conservative government of Prime Minister Brian Mulroney.

## Dole Backs INF Pact in Appearance With Reagan

By David Hoffman

**WASHINGTON POST SERVICE**

**WASHINGTON** — The Senate minority leader, Bob Dole, embraced the new medium-range missile treaty Thursday in a political moment at the White House in which he was introduced by President Ronald Reagan, who stepped quickly off the podium and greeted him with a friendly handshake.

"No, there's nothing of that kind here," Mr. Reagan said in response to questions about whether he was jumping into the Republican presidential campaign. "I am and have always been neutral with regard to the political race."

The appearance had drawn objections from campaign strategists for Vice President George Bush, the Republican frontrunner and Mr. Dole's chief target in the Iowa precinct caucuses Feb. 8.

Mr. Reagan, who almost always remains on the podium when he has brought a political figure to the White House press briefing room, stood off to the side Thursday while Mr. Dole read a statement promising to "lead the fight" for the treaty in the Senate.

Asked why, Mr. Reagan joked, "From the business I used to be in, I thought it was the courteous thing to do."

Mr. Reagan denied he was indicating favor for Mr. Dole over Mr. Bush and said Mr. Dole had come to the White House in his role "as the leader for our side in the Senate, and I was bringing news because we have a common interest."

Mr. Dole said he would lead the fight for ratification. He continued to offer some qualifications for his support of the treaty. But when pressed by reporters he said that if the vote were now he would vote for the pact.

He said the Senate "can strengthen this treaty even further without requiring renegotiations with the Soviets," and said he was concerned with verification and the superiority in conventional weapons that East European countries enjoy over Western Europe.

Mr. Dole has been criticized for his qualified support for the treaty on intermediate-range nuclear forces that Mr. Reagan signed last week with the Soviet leader, Mikhail S. Gorbachev.

Before the Reagan-Gorbachev meeting, Mr. Dole had a healthy lead over Mr. Bush in the Iowa battle, which many analysts say the senator must win to successfully challenge the vice president.

## Hart 'A Joke,' or 'Courageous'

### A Day With the Voters Draws Sharply Opposing Views

By Maureen Dowd

**NEW YORK TIMES SERVICE**

**PORTLAND, Maine** — "Hey, Gary, how's Donna Rice?" the truck driver called out to the candidate. "How's Donna?"

Sometimes it was whispered and sometimes it turned up in obscene signs and jokes, but the name of the Miami model whom Gary Hart entertained in his Washington town house that fateful weekend seven months ago kept coming up Wednesday.

Everywhere he went in New Hampshire and Maine, Mr. Hart provoked strong reactions, with many voters calling his re-entry into the Democratic presidential campaign "a joke" and many calling it "courageous."

Bill Dubois, a burly truck driver in Dover, New Hampshire, said he wished the candidate well, despite his teasing question that drew only a tightened smile for an answer. "His personal life should not affect his politics," he said. "He seems to really know his stuff."

At times, the first full day of Mr. Hart's resuscitated quest for the presidency seemed more a cathartic than a campaign — both for the candidate and his stoic wife, Lee, and for a public that was grappling with new questions about moral standards for their leaders.

What those answers will ultimately be, of course, unclear. A New York Times-CBS News Poll, in a national survey conducted Tuesday night, found that Mr. Hart has now joined the Reverend Jesse L. Jackson at the front of the Democratic field. But it found that he is rated unfavorably by a substantial minority of Democrats, even though most voters said that knowing a candidate had been unfaithful to his wife would not be enough to make them vote against him.

That seemed to be the idea at Dover High School, where a student asked Mr. Hart about politicians who "mislead the public."

"I don't think politicians have the right to mislead the public," Mr. Hart responded, "but on the other hand the public does not have the right to know everything about everyone's personal and private life." The 700 students in the auditorium roared their approval.

"The guy's awesome," said a student, Bob Williams, after listening to Mr. Hart lecture on economics and arms control and global strategy. "After all the publicity he's had about girls and stuff, a lot of people would have just gave up. He's facing it."

Jennifer Flannery, 17, agreed. "Over in France, they have mistresses put up in apartments," she said. "It was good of his wife to take him back. He's running for

president and you need a first lady to redecorate the White House."

But others felt differently. "Who wants a cheating president?" asked Ray Roy, a senior.

It was clear Wednesday that Mr. Hart's emotions were strung tight. Sometimes he seemed flustered with the spotlight and receiving a warm welcome; at other moments, the quicksilver resentment at questions about his private life surfaced.

"You bet I will vote for him and so will my whole family. We don't think anybody's sex life has anything to do with government."

— Bebe Buell

When Hope King, 17, tried to ask the candidate a follow-up question about the "Donna Rice" scandal, as she called it, he was brusque. "He just gave me an ugly look and walked off," she said.

Mrs. Hart rejected any notion that she was a reluctant partner in her husband's reborn bid.

Speaking with her son John beside her, Mrs. Hart offered a passionate ode to their family's solidarity.

"Andrea and John and I and Gary, as individuals and as a family, have experienced much pain over the last several months," she said. "We have shared with Gary the pain and the hurt that have been caused to other family members, to staff, to hundreds, thousands of supporters all across this country."

"But I can tell you one thing: We are well and strong today. We don't just share the good as a family. But we share the bad as well."

For Mr. Hart, the days of chartered planes and printed schedules are over, at least for the moment.

Laos Mines Wound 8 Thais

**BANGKOK** — Eight Thai soldiers were wounded by land mines in a battle to retake a hill that Laotian troops have held for more than a month, an army officer said Thursday. Laos claims the area is in its territory.

The candidate, who says he has no money or staff, traveled in a van that a New Hampshire supporter had borrowed from his mother. He had only three longtime supporters traveling with him as volunteers. They wrote out the day's schedule by hand.

From the reactions of many New Englanders, it was clear that Mr. Hart may benefit from a backlash against the extensive reporting on presidential candidates' personal foibles.

"You bet I will vote for him and so will my whole family," said Bebe Buell, watching Mr. Hart admiringly at the Horsefeathers restaurant here. "We don't think anybody's sex life has anything to do with government."

But his surprising re-entry also turned off many voters. "It makes a joke of the whole election process," said Valerie Tucker, a network analyst for a communications company in Portland.

Her husband, Richard, a stockbroker, thought Mr. Hart was "brave" to get back in the race, but felt it was futile. "It will be entertaining, but I don't think people are taking him seriously. All we can see is that flash of Donna Rice on the TV screen."

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## DOONESBURY



## Runway Collision In U.S. Heightens Growing Concern

New York Times Service

**NEW YORK** — A government inquiry began Wednesday into a runway collision Tuesday between an Eastern Airlines jet taking off from Kansas City and a small cargo airplane.

The incident reinforced the concern of safety specialists about runway collisions and close calls, which have been occurring with disturbing frequency despite a variety of measures to diminish the hazard.

No one was hurt when the jetliner struck the cargo plane, and the Eastern Boeing 727, carrying 93 people, completed its flight to Seattle. The Eastern crew did not know until arriving in Seattle that they had collided with the other plane, according to preliminary results of the inquiry.

The cargo craft, a twin-engine Aero Commander operated by Central Airlines Inc., suffered severe damage to its right wing, according to the National Transportation Safety Board. Paint scrapes were found on the Eastern plane when it was examined in Seattle, according to Michael Benson, a safety board spokesman.

## DEATH NOTICE

The family and friends of Jim RAYMENT Africa, announce with grief his death, after a short illness, in Amsterdam, on December 4th.

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# Herald Tribune

Published With The New York Times and The Washington Post

## How to Help Ethiopia

Once again at Christmastime, the well-fed guiltily confront pervasive images of starving Ethiopians. But the world knows a good deal more about Ethiopia than it did when famine struck three years ago. Drought is only one culprit; unending war is the other.

The decent course is to do whatever is possible to feed the Ethiopian people, though their oppressors might benefit. Meantime, American and other leaders could explore whether Moscow might help damp down the worst effects of Ethiopia's internal strife.

Addis Ababa's war with Eritrean secessionists has gone on for 25 years, the longest in Africa. In Tigre, the province worst hit by drought, the regime has battled another Marxist insurgency that now controls most of the province. The Mengistu regime has for years fought rebels by trying to starve them into submission. Now the rebels are using the same tactic.

A United Nations convoy with food enough to feed 30,000 people for a month was recently destroyed by Eritrean forces. And the other major insurgency, the Tigre People's Liberation Front, says it will not guarantee safety of food trucks unless Addis Ababa halts its resettlement drive. Thus

the starving are victimized in a three-way fight between armies whose leaders hurl Marxist jargon at one another — each demanding justice for the very underdogs whose existence they imperil.

Last time, such Swiftian realities were all but ignored by organizers of Live Aid, notably Bob Geldof, whose relief work earned him a knighthood. He now declares, "To attack food trucks and seal off roads in these conditions is tantamount to mass murder."

Colonel Mengistu used to count on Moscow for aid. Now Soviet arms shipments are said to be waning, and Mikhail Gorbachev makes no secret of his impatience with Ethiopia's economic mismanagement. If Moscow and Washington find common cause in upholding the passage of UN convoys, they might begin to moderate the regime's arrogance and the rebels' cruelty.

There is no way to help Ethiopians without indirectly assisting a Mengistu scrambling to avoid blame for starvation. So be it. To do nothing would be unthinkable. But this time let donors make plain how much of Ethiopia's suffering is owed to wars obscenely fought in the name of "liberation."

— THE NEW YORK TIMES

## The Division in OPEC

OPEC meetings have become a kind of theater in which the world can see the political conflicts being played out among the oil-exporting countries. The war between Iran and Iraq has severely damaged the cartel's ability to set prices, for every meeting leads back to that central division. For some of these countries, far more than the price of oil is at stake in these meetings. To most OPEC members, oil simply means a higher standard of living. But for those in the Gulf, oil and the wealth it generates are the only means of self-protection and survival.

In the meeting just ended the key was, as usual, Saudi Arabia. The Saudi attitude toward the Iranians and their perennial demands for higher prices varies, depending on developments in the war and the degree of reassurance provided by the United States. Late last year, after gains by Iran in the war and revelations that the United States had been sending arms to the Iranians, the Saudis moved quickly to accommodate Iran. That enabled OPEC to raise and stabilize prices.

But now the land war apparently is deadlocked and the Gulf has filled with ships of the Western navies, conspicuously including America's. Saudi Arabia has become mark-

edly less inclined to assist Iran. Instead, it is deliberately diminishing the flow of revenues Iran needs for arms to keep fighting.

But Iran apparently is doing quite an effective job of casting it as a quarrel between the rich and the poor, with themselves as the revolutionary spokesmen of the poorest. The present quotas assign to Saudi Arabia, with its small population, one-fourth of all OPEC's oil income, a point that does not pass unnoticed among the Africans and the Indonesians. Iran was able to argue that it was trying to protect the real price of oil against inflation and the falling American dollar. Instead, the Saudis and their allies have pushed the price lower.

In America, that has won approval, on grounds that lower oil prices mean lower inflation. But it is easy to exaggerate the inflation-killing effects of a modest reduction in oil prices, and if it also means another sharp increase in oil imports, the net benefit to the U.S. economy will be doubtful. It does not help America to become increasingly dependent on oil from a region in which, as the OPEC meeting has demonstrated, the countries now run deeper than ever.

— THE WASHINGTON POST

## Hard Economic Choices

When industrial production rises smartly, as it did last month, the Reagan administration and nearly everyone else hail that as a healthy sign. When the trade deficit continues to rise, as it did in October, the administration and nearly everyone else correctly regard it as a sign of serious trouble. But both numbers rose for the same reason: The U.S. economy has been expanding rapidly in recent months. Manufacturing companies lifted production (this fall to meet consumers' demand — but that same strong demand sucked record volumes of imports into the American market).

The central question for economic policy, and the Reagan administration keeps ducking it, is whether the country can narrow the trade deficit without similarly dropping the growth rate and going into a recession. This administration does not know how to keep the economy growing except by pushing up consumer demand with big federal deficits. Campaigning in 1980, Ronald Reagan and many other Republicans condemned previous presidents' reliance on Keynesian management of consumer demand to keep growth up. Too little wealth was going into savings and investment, they charged, and far too much into current consumption.

There was a good deal to that. And since then, how have things been going under Mr. Reagan himself? Not only are the deficits bigger, but savings rates are drastically lower and business investment remains about where it was in the Carter years. Thanks only to the foreign money entering the country, consumption has increased significantly faster than output. That is why there is a trade deficit. As long as the United States keeps consumer demand rising rapidly, the dollar will have to fall very far to have any prompt effect on the trade deficit.

The right way to attack the trade deficit is by raising exports. But U.S. business will have trouble expanding fast enough both to meet growing consumer demand at home and to step up its exports as well. For one thing, investment in America is not high enough to do both simultaneously.

These are painful subjects for the party in power, with an election year ahead. For the next 11 months you can expect the White House to continue to cheer at all statistics indicating strong growth of consumption and to deplore all statistics reporting high trade deficits. There will not be much interest in drawing any connection between the two.

— THE WASHINGTON POST

## Brazil Is Hurting Itself

Impatient with Brazil's fierce protectionism on computers and software, President Reagan last month ordered retaliation. His response is not without risks, given Brazil's fragile politics and its \$100 billion foreign debt. But thus far the response seems to have paid off: Brazil's more pragmatic leaders are forced to consider that the country is unlikely to realize its incredible economic potential unless it plays by the rules of fair trade.

Brazil's "Informatics" policy is supposed to encourage a sophisticated, home-grown computer industry. Conceived in the 1970s by the country's military strongmen as a way to reduce dependence on high-technology foreign weapons, it survived Brazil's transition to democracy. Imports of small computers and the software to run them are prohibited wherever there is a domestic alternative.

Supporters claim that protection of the new-born computer industry will allow it to mature into a low-cost giant, able to compete in world markets with, say, IBM or Japan's NEC Corp. This infant is indeed learning fast, but not in a way that would serve the broader interests of Brazil.

Dozens of Brazilian companies, many using pirated technology, produce equipment that is obsolete by American or Japanese standards. Brazilian businesses may pay

three times the world price for these inferior goods, slowing domestic productivity growth and reducing their own ability to export.

Under pressure from angry U.S. exporters, the Reagan administration has long pressed for liberalization of the Informatics initiative. Quiet diplomacy gave way to confrontation, however, after Brasilia's bureaucrats ruled that the nation did not need new American software for IBM-style personal computers. Unless Brazil relents, punitive tariffs will be imposed on a still unspecified list of Brazilian exports.

Mr. Reagan might have waited until Brazil had a stronger elected government better able to stand up to special interests. But there was a good case for a tough stand now, before Informatics became more entrenched as a symbol of Brazilian xenophobia. And the strategy seems to be working. Brazil is not about to disown the general policy, but influential exporters, including the government-owned commercial aircraft maker, are pushing hard for a face-saving settlement.

That is good news for American companies eager for a bigger share of the world's sixth-largest computer market. It is even better news for Brazil, which cannot afford the fantasy that prosperity is possible without open trade.

— THE NEW YORK TIMES

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## Europe: The Issue Now Is Peaceful Evolution

By Max Jakobson

HELSINKI — In the aftermath of the Washington summit meeting, Western Europe is racked with doubt and apprehension, blending German angst with Gallic skepticism. The Americans never seem to get it right. When the United States appears to be weak, as under Jimmy Carter, Western Europe is afraid; when the United States is militant, as under President Reagan, Western Europe is scared; when the United States makes a deal with the Soviet Union, Western Europe cries Yalta.

Moving the man who now is firmly in charge of U.S. foreign policy makes it awfully hard to accept the seduction theory current in Western Europe. Secretary of State George Shultz, with whom I met in Oslo on Monday between his post-summit briefings, is eminently hard-headed and down-to-earth: surely not a man easily taken in by Soviet smiles. He seems to personally return the United States to pragmatism — something Europeans have been praying for throughout the Reagan years.

Yet, many European commentators are joining the American ideologues in suspecting a trap in every Soviet concession, including the one on verification that permits the kind of insight into the Soviet military establishment hitherto denied not only to foreign observers, but even to Soviet civilian officials. It seems that nothing short of an act of political suicide by Mikhail Gorbachev could convince the skeptics that something has changed.

What has changed is that those responsible for Western defense no longer can depend on Soviet behavior to provide them with the arguments needed to persuade the public to pay for it. The fear is that Moscow might begin to do what the West for decades has demanded of it: to reduce the number of Soviet troops stationed in other Warsaw Pact

countries or even to pull down the Berlin Wall.

Such speculation is based on the assumption that Mr. Gorbachev, far from being driven by economic necessities, is dealing from a position of strength, with none of the problems of maintaining internal cohesion now facing the West.

This view ignores the grim realities prevailing on the other side — in the region we call Eastern Europe, which in fact includes Central European nations as Western in spirit and tradition as any member of the European Community.

Twice before — in 1956 and in 1968 — a Soviet policy combining an effort to improve relations with the West with internal economic reform has had explosive consequences within the Warsaw Pact. Today, the situation in the Soviet bloc is more complex than ever, and less amenable to control by the use of force.

As socialist ideology is losing credibility, the diversity of national interests within the Warsaw Pact emerges. Yugoslavia, though not part of the Soviet bloc, provides the most dramatic illustration of the resurgence of nationalism within a socialist federation. In the Warsaw Pact countries, and within the Soviet Union itself, manifestations of nationalism are more muted but nonetheless unmistakable.

In his speech on the 70th anniversary of the Bolshevik revolution, Mr. Gorbachev admitted that "the national question" needed deeper analysis, and he called for "utmost consideration and tact" in dealing with national interests and feelings. Yet the only nationality he mentioned by name was "the great Russian people," to whom all

the other peoples of the Soviet Union expressed "their profound respect and gratitude" — words that could have been lifted from czarist archives. True, Soviet policy toward its European allies has become more flexible. The insistence on conformity under Leonid Brezhnev has been replaced by recognition of the inevitability of change and diversity. But the limits of tolerance remain to be tested.

Clearly, Mr. Gorbachev has no intention of presiding over the dissolution of the Russian empire. How to keep it intact in conditions of greater openness and less East-West tension is likely to be the greatest challenge he now will face. Those who expect him to risk losing East Germany for the sake of obtaining West German neutrality or to induce the Americans to go home by withdrawing Soviet troops from the other Warsaw Pact countries, vastly exaggerate his freedom of maneuver.

The West applauds every deviation by a Warsaw Pact country from the Soviet line, as well as any liberal opposition to the regimes in the Soviet bloc. The West thus encourages change, while at the same time hoping for continued stability. The two goals may prove to be incompatible.

"Stability" in this context is a polite word for the existing power structure in Central and Eastern Europe. The crucial, though unacknowledged, issue in post-summit Europe is likely to be how to promote a peaceful political and social evolution in that region without causing a breakdown that could have incalculable consequences. Neither side seems to have a coherent policy for this purpose.

Mr. Jakobson, a former Finnish ambassador to the United Nations, writes on international affairs. He contributed this to the International Herald Tribune.

## A Surfeit of Democratic Risk-Takers

By David S. Broder

WASHINGTON — The Democratic Party confronts a brutally simple challenge as the election year ends. Its two best-known presidential contenders, Jesse Jackson and the self-resurrected Gary Hart, are distressed by so many voters they are probably unelectable. Yet both have enough appeal within the Democratic electorate that they can probably postpone and possibly prevent the emergence of an electable alternative.

Unless the Democrats find and unite behind that alternative, they will lose the White House for the fifth time in 20 years. They are paying the price for a nominating system in which ambition overrides all other criteria. Gary Hart is serious about his policy ideas, and many of those ideas deserve to be taken seriously. But the motivation for his flawed candidacy, expressed in an interview with ABC's Ted Koppel, is visceral: "It was something I felt I had to do," he said.

In the new edition of his book "The Presidential Campaign," Stephen Hess argues that what distinguishes presidential contenders "from other high officeholders of their generation [is] not their intelligence, accomplishments, style, or the reality of their prospects."

"What distinguishes them is presidential ambition," he says. These

with the worst case of the White House bug "are proven risk-takers," a perfect description of both the public and private life of Gary Hart.

Jesse Jackson is another example of the risk-taker as presidential candidate. He thrives on defying the odds, whether in a self-assigned international rescue mission or the leadership of a "lost cause" protest rally. Mr. Jackson has arrogated the high moral ground of one who "puts himself on the line," and Mr. Hart aspires to a similar distinction.

Between them, Mr. Jackson and Mr. Hart now control 50 percent of the Democratic primary vote, according to the latest ABC News poll, with no other candidate above 11 percent. That is scary news for the Democrats, because Mr. Hart and Mr. Jackson also carry the highest disapproval ratings from voters.

So the challenge for the Democratic Party is to find an alternative candidate who merits the White House as much as he craves it.

The need to find an alternative may drive some wavering party leaders to Governor Michael Dukakis of Massachusetts, others to Senator Paul Simon of Illinois or Senator Albert Gore of Tennessee. They represent geographically separate

bases of support in the Northeast, the Midwest and the South. But none of them, nor their lower-ranking rivals, has shown an ability to project his appeal much beyond his own sector of the party.

It could still happen. If Mr. Dukakis were to win the Iowa caucuses, or Mr. Simon or Mr. Gore made a strong showing in New Hampshire, you might see the coalescing of sentiment that the Democratic National Committee chairman, Paul Kirk, prays for and predicts.

But if the active contenders fail to head off Mr. Hart and Mr. Jackson, someone will be enlisted to do the job. I have been skeptical of the scenarios for a late-starting candidacy, a draft or a brokered convention. But with Mr. Hart's re-entry, they become a real possibility.

There are four men the leaders of the Democratic Party generally believe are of presidential stature who have declined to enter the race. They are as "risk-averse" as the active candidates are "risk-addicted." Two are Easterners: Governor Mario Cuomo of New York and Senator Bill Bradley of New Jersey. One is a Southerner: Senator Sam Nunn of Georgia. The last and least publicized is from the region the Democrats forget, the West: the House majority leader, Thomas Foley of Washington.

Even the Democrats, dim-witted as they are, may find themselves desperate enough to notice him.

The Washington Post



Gary Hart by ENK. C&W Syndicate.

## Catastrophe or Prosperity: Which Is the Real Economy?

By Robert J. Samuelson

WASHINGTON — It has been a weird few months. Ever since Oct. 19, when the New York stock market lost a fifth of its value, we have had two economies. One is the economy of the commentators and of the stock, bond and foreign exchange markets. Listen to them, and you hear the rumble of a great crisis. There is much turmoil and foreboding. The other economy consists of real people and businesses. It displays little of this frantic behavior. Nothing since Black Monday indicates that this economy has been significantly affected by the crash. There are some minor aftershocks: BMW sales are off, and surveys of consumer confidence show slight declines. But overall retail sales are still rising, and most businesses apparently have not sharply cut investment plans.

Businesses are most influenced by recent experience, and for many companies 1987 was a very good year. Consider the lumber industry. In the 1981-82 recession, it suffered. Many mills were shut. But in 1987, domestic demand for lumber hit a record for the fourth straight year. Although new

housing starts were below the 1970s' peaks, the drop was offset by slightly bigger homes and a remodeling boom. The story is not exceptional. Plastics go into everything from garbage bags to construction pipes to toys. Plastic production has jumped 8.5 percent this year, nearly double the production at the start of the year. Exports have increased an estimated 19 percent. Sales of electronic semiconductors rose 20 percent in 1987.

Nor is the gap between economic rhetoric and reality confined to the United States. The Europeans and Japanese worry loudly that exchange rate changes will depress their exports. Especially in Europe, some statistics paint a dreary picture. Since 1983, Europe's unemployment rate has exceeded 10 percent. West Germany's economy is expected to grow a meager 1.5 percent this year.

But what Europe is actually experiencing is a plodding prosperity. The unemployed receive generous benefits, and everyone else is reasonably content. In West Germany, exports have held up better than expected. Unemployment has risen only slightly; consumer spending is strong. In Japan, the economy is more robust, helped by expanding domestic spending.

Which picture should you believe: the alarms of catastrophe or the bland reassurances? Perhaps both. What the turbulence of the financial markets signifies is that people no longer know what to expect.

No one thinks that today's huge trade imbalances can last. Neither does anyone know if or will act to reduce these imbalances. No one knows whether the world is slipping into recession, whether inflation might revive in America or whether everyone will continue "muddling through." Perceptions change from day to day.

Despite its decline, the stock market is still roughly where it was a year ago, and that is about twice its 1982 level. But the acute anxiety of the financial markets and the apparent tranquility of the productive economy are a disorienting mixture. Indeed, the calm of the one amplifies the nervousness of the other. Governments act only if there is a crisis, investors and analysts say. They do not want a crisis and yet, in its absence, they worry that governments will not act forcefully enough.

The stock market crash was so spectacular that we strain to find its meaning. We cannot abide the thought that it was simply a random event. Yet still barely know what caused the crash, let alone what it means. Maybe today's crisis is phony. But there is an unsettling reminder from the phony war of a half century ago: In the end, it became very real.

The Washington Post

## 100, 75 AND 50 YEARS AGO

### 1887: O Tannenbaum!

BERLIN — Berlin has begun its Christmas a long time in advance. For a week we have been watching the growth of forests of Christmas trees on every vacant square. Some of the trees grow out of piles of sand, carted there for the occasion, but the majority are piled up like cordwood until there is time to fit them to their painted cross-roots. What space is not full of Christmas trees is occupied by booths of the Christmas fair. All over the city it is the same.

This may make some bureaucrats look good, but it is hardly the hallmark of an administration committed to an expansionary fiscal policy. With the Bank of Japan already adopting a more restrictive stance — short-term rates are beginning to rise — Japan's current expansion could become more fragile. If domestic demand is to continue driving the economy and promote the contraction of external imbalances, the government must now finish the job the central bank began. Stepped-up fiscal spending will make Japan not only a better place to live; it will make the Japanese better neighbors.

The writer is senior economist at Morgan Stanley International Ltd. in Tokyo. He contributed this comment to the International Herald Tribune.

## In Havana, The Winds Blow Slowly

By Jorge G. Castañeda

MEXICO CITY — Many travelers to Cuba in recent times, including old friends of Fidel Castro, have been struck by the ironic tricks that history plays on those who have earned a place in its annals.

In the decade after the Cuban revolution, Mr. Castro and his companions represented dissent and innovation, compared with the aging leadership of the Soviet-bloc countries. Now, with Mikhail Gorbachev's policies of *perestroika* and *glasnost*, and Havana's apparent reluctance to implement similar reforms, Mr. Castro looks more like the guardian of the faith.

In fact, the situation in Cuba, relative to reforms, is far more complex than this. It is also more ambiguous than the Cubans' insistence on their own "rectification" — a renewed emphasis on Che Guevara's moral incentives, a major effort to eradicate corruption and inefficiency, and the elimination of many of the market-oriented reforms of the late 1970s — would seem to suggest.

Senior Cuban officials seem uncomfortable with Mr. Gorbachev's reforms, whether political, cultural or economic. But they stress that Cuban-Soviet ties, as well as the personal relationship between the two countries' leaders, are good.

These officials are quick to underline that, whatever their views on the Soviet reforms may be, they believe that "pluralism" within the Soviet bloc is necessary. Breathing space is no small matter to nations like Cuba after years of the Brezhnev doctrine and of heavy-handed interference by Moscow in the internal affairs of other Soviet-bloc countries.

Cuban leaders are particularly skeptical about the economic revisions being attempted in the Soviet Union, emphasizing that shortcomings of the traditional socialist economy should not lead the Soviets to abandon it.

However, the most interesting aspect of the Cuban response to Mr. Gorbachev's innovations lies elsewhere, in the enthusiasm and hope that they have awakened among many of the more sophisticated mid-level Cuban officials, the young and the population at large. Cadres in the Cuban Communist Party privately acknowledge that much more is needed in the way of reform, and that the Gorbachev winds of change will soon reach the island regardless of what the Cuban leadership does. They note that the tens of thousands of Cubans working or studying in the Soviet Union will come home eventually.

That Cubans, at least those in Havana, are fascinated with events in the Soviet Union is demonstrated by the speed with which Novedades de Moscú, the Soviet weekly in Spanish, sells out. Its readers are the great numbers of young professionals that the revolution itself has educated and trained. Only one other Cuban publication can boast of a similar popularity. It is the symbol of an incipient Cuban glasnost: *Somos Jóvenes*, a magazine for the Cuban Communist youth organization, with a circulation of approximately 200,000.

In a recent issue, the magazine published two articles the likes of which had not been seen in Cuba since the early 1960s. One described prostitution in Havana, a sad and dramatic account of young Cuban girls plying their trade for foreigners. The second dealt with "educational fraud," exposing in great detail how teachers in Cuban high schools pass their students indiscriminately in order to comply with a quota system.

Both articles were signed with pseudonyms, but they have been attributed to senior journalists working for Granma, the official party newspaper. Rumor had it that Mr. Castro had read both pieces and had approved their publication.

Both the University of Havana and journalistic circles have become a sort of vanguard of the debate on reform, which is cutting across traditional young-old, conservative-innovative lines. Most important, perhaps, Mr. Castro himself has not said the last word.

Cuba is a society that needs restructuring and openness. Its leaders know this, but they seem awkward and hesitant in going about the changes that their country obviously requires. Resistance is also greater than one might expect. The real challenge that Mr. Castro has to face is how to implement far-reaching change after 30 years of institutionalizing a revolution.

The writer, a professor of political science at the National Autonomous University of Mexico in Mexico City, visited Havana last month. He contributed this to the Los Angeles Times.

Israelis  
then to Look f

By Anthony

Man Camp in Israel

Acquitted M

EUR

High Court Awards  
Treasure to State

The High Supreme Court in Israel has ruled that a multi-million dollar treasure found in a bog by a farmer and his son belonged to the state. The ruling overruled a previous decision by the lower courts which had awarded the treasure to the farmer and his son. The treasure, which was found in 1984, consisted of gold and silver coins and jewelry. The state has now agreed to pay the farmer and his son a sum of \$1.5 million for the treasure.

The writer, a professor of political science at the National Autonomous University of Mexico in Mexico City, visited Havana last month. He contributed this to the Los Angeles Times.

France May Penalize  
Incentive to Suicide

Although suicide is not a crime in France, the French National Assembly has passed a bill to penalize incentives to suicide. The bill, which is aimed at preventing people from committing suicide by offering them financial incentives, was passed by a vote of 500 to 400. The bill is expected to be signed into law by President Mitterrand.



OPINION

# In The Gaza: Israelis Have Failed Even to Look for a Solution

By Anthony Lewis

WASHINGTON — Israel's defense minister, Yitzhak Rabin, bristled at a questioner asked about the territories, drawing a parallel with South Africa. When the tactics of repression in Gaza and the West Bank tearing at the fabric of Israel's society?

There is no parallel, Mr. Rabin said. There could not be, he said, because Arabs are not a majority in Israel. In South Africa, there are 3.5 million Jews and only about 2 million Arabs in the occupied territories. But the questioner was not raising the point of arithmetic. The point, one concern to many Israelis today, is at ruling someone as a subject people, without political rights, requires use of force and more force — and disrupts those who rule.

Mr. Rabin was speaking at the Brookings Institution to an audience including socialists on the Middle East. The tension in Gaza, the shooting of Palestinian demonstrators there, gave urgency to the point. But anyone who hoped for the light on the problem must have read his answers with despair.

Israel had three options in the occupied territories, Mr. Rabin said. One was to annex them, giving political rights to all inhabitants who wished them. The second, "at the other extreme," was to withdraw unilaterally from most of the land taken in 1967.

The third option, he said, the one actually followed by all Israeli governments since 1967, was to occupy the territories militarily and leave their legal and political status open until Jordan and appropriate Palestinians were ready to negotiate. As Anwar Sadat's example had shown, only through negotiations could the Arabs get territory back from Israel. But the reality is not of a status quo carefully preserved until negotiations. Large numbers of Israelis have settled in

the occupied territories, creating what the settlers call "facts on the ground." Israel has taken a significant portion of the land for its own use. To the Palestinian inhabitants those are deeply disturbing developments — ones that dampen their hope of ever running their own lives.

The Gaza Strip, for example, is one of the most densely populated places on Earth: 650,000 Palestinians, most of them living in squalid refugee camps, on 140 square miles (360 square kilometers). Yet 2,500 Jewish settlers occupy a large slice of the available land. What could be more provocative?

The Arabs refused to negotiate for years, and they have themselves to blame for much of the result. But the obstacle to negotiation now is the divided Israeli government.

The United States and all other parties are ready to go to an international conference that would create a framework for negotiation. Israel's Labor Party, to which Mr. Rabin belongs, favors the conference. But the Likud prime minister, Yitzhak Shamir, is opposed. He has said that Israel's control of Gaza is "not negotiable," and he feels, if anything, more strongly about the West Bank.

So in reality a fourth option has been exercised. Israel sits on the territories, settles them, fits them into its economy, making a negotiated change increasingly unlikely. But by saying that their legal status is still to be determined, it avoids the need to face the prospect of giving 1.5 million Palestinians political rights.

The trouble is that occupation requires repression. The Gaza Palestinians have to find work in Israel, but they are not allowed to stay there overnight — just as South African blacks must go back to their townships. Some young Israeli soldiers, like some young white South Africans, are unhappy at the role of policing a people without rights.

Mr. Rabin, at Brookings, kept saying that Israel used its military power in the occupied territories only to stop "terror." He said Israel would not allow people to gain political ends by "public disorder."

The reality is otherwise. Israel has not just acted against disorder and terrorism. It has tried to suppress peaceful expression of Palestinian feelings, detaining editors and expelling elected mayors. Mr. Rabin should know that better than anyone. As defense minister he has been extremely harsh in the West Bank and Gaza, detaining and deporting more Palestinians than his supposedly hard-line predecessors.

His cabinet colleague, Ezer Weizman, put the truth bluntly in speaking about the Gaza disturbances. "Whoever thinks this is a passing thing is making a very serious mistake," Mr. Weizman said. "It is a result of the failure to find a political solution, and the lack of a desire even to look for one."

## The Two Camps in Israel

IN Israel, debate over the territories has just split the country along political lines. On the right, those who advocate annexation are increasingly open in adding that this might involve the "transfer" of some of the Palestinian population. On the left, many of those committed to the traditional Labor Zionism ideals of having a society that is both just and Jewish advocate speeding up negotiations for an Israeli pullback. The Reagan administration has abstained from trying to influence the debate. But now Palestinian activism might change that. At the least, American presidential candidates should pledge to uphold the human rights of the territories' Palestinians, and they should press for real negotiations on the territories' long-term political status.

— Helena Cobban, Los Angeles Times



## LETTERS TO THE EDITOR

### Where INF Will Take Us

The advertisement in your Dec. 7 issue by the Ad Hoc Committee to Stop the INF treaty, which appears to consist mainly of military officers, opposes any steps toward disarmament and instead demands increased spending on nuclear weapons. Ever-increasing numbers of nuclear weapons can only lead eventually to the horror of nuclear war.

The intermediate-range Nuclear Forces treaty is not perfect, but it is a step forward, even though it only eliminates a small percentage of the nuclear arsenal. For further steps, the Soviet leaders must show that they are worthy of trust, their society must become more open, and personal and civil liberties must be increased. As they move forward, the West should be ready to break down the barriers of suspicion and mistrust. Then further steps toward disarmament can be negotiated so as to reduce gradually the threat of nuclear war. This will take time, but it offers the only sure way toward a lasting peace.

ANTHONY R. CAVE  
Trois-Rivières, Switzerland

And so it seems that many of us who have been accused of being soft on the Russians, who have waited through these seven years of the Reagan presidency for an arms agreement of some kind, are now that an agreement is here, being ironically upstaged. Mr. Reagan is being softer on the Russians than many in the peace movement would ever be.

One should not arrive at a treaty just to have some piece of paper to sign, nor spend the precious little political capital one has left just to get into the history books. The purpose of a treaty is to increase security. A mutual verifiable nuclear test ban is an option that Soviet leaders have left open, and it is one that makes much more sense.

Once again, Mr. Reagan has demonstrated that security is one of the last things on his mind when it comes to foreign policy. The Strategic Defense Initiative, the Iran-contra affair, the endless attack on the Anti-Ballistic Missile Treaty, and now this.

ERIC TRAUTMANN  
Aix-en-Provence, France

### A Way to Stop the Suffering

In response to Mehrdad Khonsari's letter to the editor "In the Gulf War, Apply Pressure to All Who Resist Peace" (Nov. 27), I wish to state my opinion about UN Security Council Resolution 598, which calls for a Gulf cease-fire. Resolution 598 is the first effort by the international community to end the pointless Iran-Iraq war, which has dragged on for more than seven years and has caused the loss of thousands of lives as well as causing millions of dollars of damage. It is also the only logical way to end the war at this time.

Knowing Ayatollah Ruhollah Khomeini's desire to continue the war, and

considering the daily human and financial losses to Iran, justice for Iran will be served by giving the Iranian people what they long for: an immediate peace, as offered in Resolution 598. Of course, in the longer term, there might be a possibility that Iran will get a more favorable resolution from the Security Council. But at what price?

The daily costs of the continuation of the war for Iranians, offsetting any favors they might get from a new resolution, are more dead, more disabled, more homeless, more destroyed towns and villages, more devastated industries, as well as rationing, black market transactions and shortages of basic foods.

Any efforts or statements to undermine Resolution 598 can only delay the peace process and prolong the suffering of the Iranian people. They are an indirect way of playing into the hands of those uninterested in ending the war.

F. MOHERBI  
London

### Hold Baker Responsible

The headline "White House Said to Warn Fed" (Dec. 14) demonstrates to what extent President Reagan and the secretary of the Treasury have turned American economic policy into the theater of the absurd. In any well-run business the person responsible for driving an enterprise into bankruptcy is fired. Treasury Secretary James Baker was trained as a lawyer, not as a finance specialist. The first step in restoring the American economy would be to fire Mr. Baker. The second would be to name Paul Volcker secretary of the Treasury.

E. ERNEST GOLDSTEIN  
Villars-sur-Ollon, Switzerland

# Hong Kong Head-Hunting: The Canadians Know How

By Richard Reeves

HONG KONG — "The Canadians aren't playing fair," said a frustrated U.S. diplomat. "The Canadians? No one attacks Canadians." They're skimming off some of the best people in Hong Kong," the diplomat said, "but they're practically selling visas to do it."

The game being played by Canadians — and by the Australians and others — is grabbing up the best and the brightest, the richest people in Hong Kong, before the British crown colony is turned over

to be only one conversation in this city-state of five million hustlers. What are you going to do when the Communists come? Ten years from now, on June 30, 1997, Britain will turn Hong Kong back to China after 99 years of colonial rule.

Some admit it, some deny it, but the assumption is that anyone bright enough to succeed in Hong Kong has or is trying to get another passport before that day. Despite fervid assurances from Beijing that nothing will change, the brain drain is under way; many people have already left, others intend to, and many, many others want to be ready for the worst.

The choice country of flight is the United States. Laissez-faire economics, after all, is what Hong Kong is about. Canada is the second choice, but it is cold and, face it, a little dull. Australia, which is trying to compete with Canada for the best and the brightest, has great weather, but a reputation for racism scares some Chinese in Hong Kong. Singapore is in the game, too, but is losing because while it may be ethnically comfortable (i.e., majority Chinese), its economics are as controlled as its politics.

## MEANWHILE

to China in 1997. Most of those people would like to become Americans, but the United States is hardly a player because U.S. immigration laws have nothing to do with talent or riches but only with family reunification.

U.S. immigration policy is so rigid, in fact, that anyone can walk by the U.S. Consulate on Garden Road and see precisely where he or she stands. A large board lists who in Hong Kong is eligible for a U.S. immigrant visa — based solely on whether they have American relatives and on what date application was made.

If your brother or sister is a U.S. citizen and you applied before Oct. 8, 1975, your visa is ready now. If you are married and your parents are Americans, you must have applied before Aug. 21, 1981.

So it goes. Until November, only 600 people a year were allowed into the United States from Hong Kong. The waiting time is three to 12 years — and only for those with relatives. The final category on board, non-preference — meaning no relatives — has no date at all, just the word "unavailable."

A few blocks away, at the Canadian Commission, more than 20,000 immigrant visas will be issued this year. Some are going to relatives of 600,000 Canadian citizens of Chinese descent, but most will go to three other categories: investors, entrepreneurs and independent skilled migrants.

Investors must put about \$200,000 into a government-approved project in Canada. Entrepreneurs must put about \$100,000 into a new business employing Canadians. (Those two categories already have brought more than \$800 million into Canada.) Independents must have a skill the country needs, including computer programmers, electrical and industrial engineers, medical and health administrators and speech therapists.

"Canada's in the immigration business," said Nigel Thomson, an immigration counselor at the Canadian Commission. "These are the kind of people we want. They bring family values, a devotion to law and order, and, especially, a drive toward competitiveness and achievement which we want to breed out of our own young people."

If immigration is your business, Hong Kong is your kind of place. There seems

to be a lot of money in this business. Washington has made a gesture to acknowledge that it does know what is happening. On Oct. 1, the U.S. quota for immigrants from Hong Kong was raised from 600 to 5,000 a year. But still, only relatives, please. America is a country of immigrants, it's true, but like the Australians, it has traditionally preferred white ones.

Congress has done its work so well that even Confucius could not become an American. Secretary of State John May wrote of U.S. immigration policy in a 1904 memo to President Theodore Roosevelt. Things have gotten better since then, and Asian-Americans have been making the U.S. stronger and brighter — 20 percent of the entering freshmen at the Massachusetts Institute of Technology are now of Asian descent. But if Confucius lived in Hong Kong, and wanted to be an American, he'd probably get only as close as Toronto.

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## GENERAL NEWS

# Acquitted Mafia Suspect Is Slain in Italy

The Associated Press

PALERMO, Sicily — A defendant acquitted Wednesday in Italy's biggest Mafia trial was shot and killed here Thursday.

The state-run RAI television said the victim, Antonino Cilla, one of the 114 acquitted defendants, was shot as he approached his home in Palermo about four hours after the trial ended.

Mr. Cilla had been celebrating

with friends when he was killed by unidentified assailants who fled in a car, the Italian news agency ANSA said. He was acquitted on grounds of insufficient proof.

Count Sentences 338

Roberto Suro of The New York Times reported from Palermo: The trial ended Wednesday with guilty verdicts against 338 of 452 defendants accused of running a

criminal empire financed largely by heroin trafficking to the United States.

The jury ordered life sentences, the maximum penalty under Italian law, for 19 defendants, including the top leaders of the Sicilian Cosa Nostra and professional killers who did their bidding.

Among them was Michele Greco, nicknamed "the pope" because of his position atop the Mafia hierarchy. Mr. Greco, 63, was found guilty of ordering 78 homicides, including the assassinations of several top government officials.

The most important evidence came from two informers, Tommaso Buscetta and Salvatore Contorno, who also have testified at Mafia trials in New York.

The prosecutor, Giuseppe Ayala, said: "Their testimony was accepted when other facts confirmed it."

On the basis of that testimony, for the first time in Sicily the Mafia was prosecuted as a single, unified organization with its own leadership structure.

Most of the specific crimes cited in the trial occurred in the early 1980s, when the Sicilian Mafia provided 50 percent of the heroin that reached the East Coast of the United States, the U.S. Justice Department estimated.

The "maxi trial," as it became known, was viewed throughout Italy as a demonstration of the state's willingness to strike back at a criminal organization that grew steadily more powerful and more brazen as it expanded its lucrative drug trade.

Nearly \$10 million in fines were imposed. Among the 114 defendants declared not guilty were 49 against whom the prosecutors did not seek guilty verdicts.

About 1,000 lawyers, defendants and spectators had been waiting for three hours when Judge Alfonso Giordano entered the amphitheater-shaped courtroom.

The judge, who grew a beard during the 35 days he guided jury deliberations, read as fast as he could. A nearly imperceptible stream of names and legal citations poured forth. Gradually it became apparent that men once considered untouchable were being sent to jail.

Ignazio Salvo, a wealthy and well-connected financier, was sentenced to seven years in prison for criminal conspiracy. He had been described in testimony as a key mediator between the Mafia and Sicily's political and business elite.

After his sentence was read the jury's intentions were obvious.

In the 30 grilled cages that line the back of the courtroom, defendants leaped forward against the bars listening attentively but without expression.

As the jury of four women and two men stood next to him, Judge Giordano read at a furious pace for an hour and a half. In the courtroom, where catcalls and shouted insults from the gallery and from the cages have been the norm, there was only silence when he finished.

"This is a demonstration that the state, when it wants to, can constrain citizens to obey the law," said the assistant judge, Pietro Grasso.



Cardinal Bernhard Alfrink

# B. Alfrink, Liberal Dutch Cardinal, Dies

THE HAGUE — Cardinal Bernhard Alfrink, 87, who became a symbol of liberalism in the Dutch Catholic Church during his 21 years as primate, died Thursday in Nieuwegein after a long illness.

Cardinal Alfrink represented the views of many liberal Catholics but saw his influence wane when the Vatican made a series of conservative appointments in the Dutch church in the 1970s.

He stepped down as primate in 1976 and was succeeded by Cardinal Johannes Willebrands, the archbishop of Utrecht.

He rose to become leader of the Dutch church when he was named archbishop of Utrecht in 1955. He gradually shed his conservative views and began urging church reform.

He was named cardinal in 1960 and was one of the presidents of the Second Vatican Council from 1962 to 1965.

Other deaths:

Frank G. Boyce, 70, who served for nearly a quarter-century as president of the Experiment in International Living, an exchange program for students, Wednesday in West Brattleboro, Vermont, after a long illness.

Maria-Theresa Duncan, 92, the last of Isadora Duncan's adopted daughters, Monday in New York.

Ray Malavasi, 37, who coached the Los Angeles Rams to their only Super Bowl appearance, Tuesday of a heart attack.

# Asia-Pacific Airlines Joining Forces For Computer Reservation Network

By Michael Richardson

SINGAPORE — Airlines in the Asia-Pacific region are joining forces to set up advanced computer reservation networks to counter a threat from similar systems in the United States and Europe.

Airline officials said that hundreds of millions of dollars would be spent on advanced computer systems over the next five years, as regional airlines attempt to attract business from travel agents and passengers in competition with airlines from the West.

The rewards in the airline war are large. The Asia-Pacific is the fastest-growing region for commercial aviation.

The International Civil Aviation Organization estimates that passenger traffic in the region will grow at an average annual rate of about 10 percent up to 1995, compared to 5.5 percent for Europe and 6.5 percent for North America.

The new computer systems, owned by large airlines or groups of airlines, offer travel agents and passengers instant booking service for a wide range of flights, fares, hotels, hire cars, package tours and other travel-related services.

They are supplanting older computer programs, run mainly by individual airlines, that provide a more limited service.

Three of the five biggest airlines in Asia — Cathay Pacific, Thai International and Singapore Airlines — announced recently that they would form a joint venture company to set up a regional computer reservation network.

Executives involved in the project, called Abacus, estimated that it would cost between \$150 million and \$200 million by the time it is operational at the end of 1989.

They said that the central computer complex, to be located in Singapore, would be capable of handling 300 messages a second and of supporting more than 10,000 terminals.

Another of the five largest airlines in the area, Qantas of Australia, pulled out of the Abacus planning group. It wants a regional computer reservation system based in Sydney.

Qantas sources said the cost of its system would be about the same as for Abacus. Both Qantas and the Abacus group have invited other Asia-Pacific airlines to join their systems by sharing the cost.

Officials at Japan Air Lines, the biggest carrier in the region, said that JAL had not decided whether to join Abacus or Qantas or to offer its own network.

The two largest of the five major computer reservation systems in the United States are Apollo, operated by United Airlines, and Sabre, run by American Airlines.

They have started selling their services to travel agents in Australia, Singapore, Hong Kong and other parts of east Asia as part of an international marketing campaign.

In Europe, plans were announced earlier this year to form two groups to operate their own advanced reservation systems.

In Sydney, Ken Boys, media relations manager for Qantas, said airlines in Asia and the Pacific needed to join forces to "negotiate from strength" if they were to gain fair representation in the networks run by the U.S. and European airlines.

Mr. Cheong said that as new systems were formed in other areas, they would dilute the power of the U.S. networks. This would provide a guarantee that the services of different airlines would be distributed and sold fairly.

## Hawke to Stick With Party

CANBERRA, Australia — Prime Minister Bob Hawke, who won a third term five months ago, said Wednesday that he would lead the Labor Party in the next elections, due in mid-1990, ending speculation that he might retire.

## EUROPEAN TOPICS

### Irish Court Awards Treasure to State

The Irish Supreme Court in Dublin has ruled that a nineteenth-century chalice and other early Christian artifacts found in a bog by a father and his son belonged to the state. The ruling overturned a previous High Court verdict that had awarded 5 million Irish pounds (\$8.2 million) to Michael Webb and his son, who is also named Michael. The court granted the Webbs 50,000 Irish pounds.

The Webbs found gold, silver and bronze relics with a metal detector in County Tipperary in 1980. A golden chalice, which became known as the Derrynaflan Chalice, was valued at 5.5 million pounds. The senior Webb brought the find to the National Museum in Dublin, which offered 10,000 pounds to him and 25,000 pounds each to the two landowners involved. The landowners accepted, but Mr. Webb refused and sued for the recovery of the find.

The 5 million pounds had been "just a paper dream," Mr. Webb said after the verdict. "Honor has been satisfied on both sides."

### Suicide

which spells out painless ways of killing oneself. The book has sold more than 120,000 copies since its publication in 1982. France's suicide rate is about 12,000 people a year, one of the highest in Europe. Although officials say there is no way of determining whether the book has contributed to this, copies have been found at the bedside of at least 79 suicides. People in favor of the book say it gives would-be suicides the option to die peacefully rather than painfully.

Under the law, reports in the press that publicize the advice contained in the suicide manual could also be penalized. But the book itself would not be banned since the law is not retroactive.

Members of the opposition Socialist Party abstained from voting, saying the law infringed on people's rights to run their own lives. The daily newspaper Le Monde said the measure could lead to the censorship of books and movies, or keep from terminally ill people the knowledge of how to kill themselves painlessly. The law must still be passed by the Senate.

### Sweden

has named a square in central Stockholm after Raoul Wallenberg. It was the first such dedication in Sweden for the diplomat who saved thousands of Hungarian Jews from the Nazi death camps. Mr. Wallenberg was captured in Budapest by Soviet troops at the end of World War II, and Moscow has repeatedly said that he died of a heart attack in a Moscow prison in 1947. But numerous witnesses have reported seeing him alive in Soviet prisons many years later. Sweden, as a rule, does not honor people who are alive with names on places, and government officials said the measure was an exception to the "living persons" rule.

### A humorous leaflet

appeared on the streets of Frankfurt and Berlin days before the West German government's decision Wednesday to adopt a bill aimed at barring demonstrators from wearing masks. The "Rent-a-Demo" leaflet offers three types of demonstrations to people who are irritated with officials or neighbors. The five-minute Mini demonstration — "for the price-conscious" — consists of one "authentic squatter on an eco-bike." The Standard demonstration consists of 30 people, including some who are masked, and a cheerleader. Length: 30 minutes. For those who want to make a real impression, the 90-minute Super Gala protest has a cast of 100, including 15 punks, three toddlers, two preachers and a genuine Central American freedom fighter. A nursing mother can be added on request. Special offer: a free preacher with each demo, "as long as the supply lasts."

—SYTSKE LOONJEN

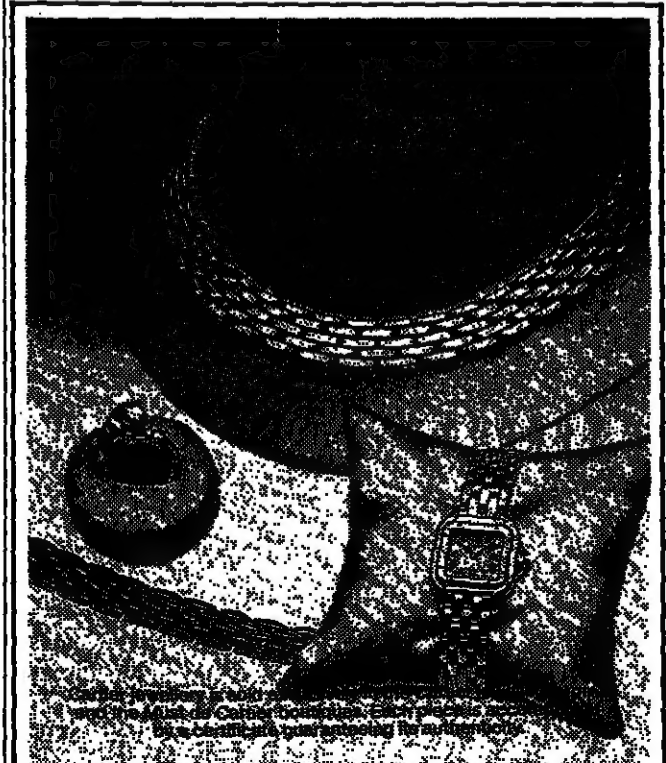
## Around Europe

James Anderson, a British poet, is facing calls for his dismissal after being quoted as favoring the flogging of criminals "until they beg for mercy" and saying he would be happy "to thrash them" himself, according to Women's Own magazine. The Chief Constable of Greater Manchester also said homosexual acts should be outlawed. Mr. Anderson, 55, denied saying he would be happy to thrash criminals and said a tape recording of the interview would vindicate him. But Women's Own said it stood by the article. Mr. Anderson, who once said a God might have chosen him as a

## France May Penalize Incitement to Suicide

Although suicide is not a crime in France, the French National Assembly has passed a bill to punish "incitement to suicide." The draft law imposes prison sentences of as long as three years and fines of as much as 200,000 francs (\$34,000) for telling people how they can take their own lives.

The measure is the government's answer to a book by Claude Guillon and Yves le Bonniec called "Suicide, Mode d'Emploi" ("How to Commit



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## CRASH: Plunge Suggests Need for Regulatory Change



**Dr. Halfdan Mahler**  
Camera Press

Reserve Board and banking regulators such as the Federal Deposit Insurance Corp. as well as the securities and commodity futures commissions.

But almost every proposed change is fraught with political pitfalls, and little progress has been made toward instituting sweeping changes, particularly on the international front.

The immediate chances for major changes in Congress are considered small. The interested parties are entrenched and possess powerful lobbying machines in Washington. It is unlikely, for example, that other regulatory bodies would stand by if the Federal Reserve Board began to emerge as a dominant regulator of Wall Street. The SEC, whose institutional bias is toward protecting investors, has doubts about banking regulators, whose first concern has always been the safety of the financial system.

Another concern is the commission's seven-year hands-off policy in market regulation, which springs primarily from the Reagan administration's general support of deregulation. More and more, the agency advocated the "efficient market" theory, which holds that markets correct themselves and government regulation only imposes costly artificial barriers to competition.

For example, the SEC repeatedly rejected requests to ban certain hostile-takeover practices, which sharply affect stock trading and prices. The agency contended that the market would judge takeover bids that were not in shareholders' interest.

"I think the predisposition against intervention left them with a blind spot," said Harvey Goldschmidt, a professor at Columbia Law School. "No one was looking at the problem."

The government said that the labor congress's statements were "designed to cause general disaffection against the military government and subvert the government," the official statement said. The offense, rarely invoked, carries a minimum 10-year prison sentence.

There has been no personal criticism of three other regional directors mentioned as possible candidates.

They are Dr. Jo Asvall, a Norwegian, who heads the WHO European operation in Copenhagen; Dr. U Ko Ko of the Southeast Asia regional office in New Delhi; and Dr. Carlyle Guerra de Macedo, a Brazilian who runs the Pan-American Sanitary Bureau in Washington.

It would be unlikely, however, for WHO's executive board to replace Dr. Mahler, a Dane, with another Scandinavian.

Similarly, Dr. Macedo has against him the fact that a previous director-general was Brazilian. But he is the preferred candidate of the United States, which has lost influence within the organization because of its refusal to pay \$70 million of its \$125 million assessed share of the WHO budget.

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# TRAVEL

- Mexico's Chapultepec Park
- The Art of Marbled Paper
- Buying Wine in Paris

International Herald Tribune

## TRAVELER'S CHOICE

Stately Pleasure Domes of the East



■ "Grand Oriental Hotels" is the armchair traveler's ultimate coffee table book and perfect Christmas present. A magnificent compendium of photographs and drawings, bills and memorabilia that evoke the golden age of the great hotels, built as palaces where East could indeed meet West. Raffles in Singapore, Sheppard's in Cairo, the Lake Palace at Udaipur, India, the Mamounia in Marrakech, the Peninsula in Hong Kong, the Grand Hotel de Pekin, and so on. Some of these edifices no longer exist, or have been revamped (like the Mamounia) out of all recognition. This book preserves their special aura in a vanished world of privilege and leisure. The hotels were the staging posts for rich travelers, but also neutral places where, perhaps, the local rules about food and women's dress could be suspended. "With their quasi-extraterrestrial status they were cocoons for tourists, venues for meetings of state, military headquarters in wartime, swank annexes for local society, offering liquor, gambling and even a Hollywoodian backdrop for local weddings," writes Joseph Fichten of the Middle East establishments. Anthony Lawrence writes on the Far East, Martin Meade on the architecture and there is an introduction by Prince Michael of Greece. The book includes glimpses of the great who passed through: Lawrence of Arabia's bill at the Baron's Hotel in Aleppo, a picture of Winston Churchill painting in the garden of the Mamounia, Anna Pavlova on the terrace at Sheppard's. Published by Vendome in New York, Flammarion in France and J.M. Dent in Britain.

## Seasonal Hotel Discounts

■ The city of Toronto is offering an enticement to travelers chilled by the idea of a winter visit to Lake Ontario's north shore in the form of a 50-percent discount in the basic room rate at 53 hotels. The rate will be available Thursdays through Sundays in December, January and February. Hotel guests are also given a discount book for local entertainment, shopping and dining. In Chicago two hotels are including admission to the Art Institute of Chicago with the cost of a room. For \$165, at the Palmer House and Towers guests also get dinner and brunch as part of the Chicago Anniversary package, through Jan. 1. The Drake includes the museum admission and breakfast with a weekend rate of \$154 through Jan. 31. San Francisco's Fairmont offers a package for \$135 that includes a choice of two tickets to the hotel's nightclub or cocktails and dancing in the New Orleans Room. For \$250 the Hyatt Regency puts guests in a Regency Club room, as part of its Dickens Christmas Package available until Dec. 26. Guests get breakfast and tickets to the American Conservatory Theater's production of "A Christmas Carol" and to a Dickens fair. In Boston two hotels are offering tickets to the Wyeth "Hedge" exhibition along with rooms. Through Jan. 3 the Ritz-Carlton includes tea for two and a tape cassette guide to the exhibition, in a package costing \$190. Also for \$190 the hotel has a package from Dec. 2 through Jan. 3 that includes tickets to the Boston Ballet's performance of "The Nutcracker." The Meridian is charging \$152 and including Continental breakfast and exhibit passes through Jan. 3. New Orleans is offering December discounts at 37 of its hotels, from Dec. 11 to 27. They are called Papa Noel rates, named for the Creole Santa.

## Rush to Australia's Bicentennial

■ Qantas Airways announced recently that it has scheduled an additional 150 flights in the coming months to provide 60,000 extra seats into and out of Australia to cope with the traffic attracted by the celebrations of its bicentennial year, which start next month. Now Qantas, United and Continental report that there are only scattered economy seats still available for flights to Australia through January. As of last week, Air New Zealand had only two APEX seats and four regular economy seats remaining for the whole month. All have some first-class tickets left. They also say that seats are going quickly for February. The Australian Tourist Commission says that hotels in Sydney are already booked at about 90 percent capacity for the year, though there are more rooms in other cities. Australia has announced dozens of events to mark the bicentennial, which will begin Jan. 1 with a live television program from 70 locations in Australia and overseas that will be seen in the United States on the Arts & Entertainment Network. Included among the events will be the World Expo '88 to be held in Brisbane, Queensland, from April 30 to Oct. 30, and a Tall Ships pageant in Sydney on Australia Day, Jan. 26. About 40 countries will take part.

## The World in a Jigsaw



■ The jigsaw puzzle is an English invention of the 18th century; maps were the first subjects, with simple dissection along the line of county or country borders. Now a small London company, Optimago, has reproduced some of the earliest puzzles—the "Nouvelle Mappemonde" of the 1750s—and a very verdant cartographer's view of the world as shown here, and the Optimago versions are now collector's items, and the Optimago versions are designed to be such also. Available from good stores worldwide, including Bergdorf Goodman, New York; Harrod's, London; and the Takashimaya chain in Japan. Also from certain museums, including the British Museum and the Metropolitan in New York. Further information from Optimago, 43, Perryman Street, London SW6. Tel: 736-2380.

# Nonaligned Chic: Tito's Vila Bled

by Alan Levy

LAKE BLEĐ, Yugoslavia—Raul Castro pouted when the local musicians serenaded him with the only Cuban song they knew. "When I Leave Cuba," at a time when escapes and defections were thorns in his and his brother's sides.

President Sukarno of Indonesia made a play for the glamorous Yugoslav harpist Pava Ursic by telling her she played divinely. "Thank you," she responded, "but my harp is not so good." The host, Marshal Tito, asked what the problem was. "Hard currency," she replied. The next morning, she had a bank loan and a new harp.

Kim Il Sung of North Korea decided you can take it with you, so his aides hauled his room's furnishings off to Pyongyang.

These and hundreds of other VIP debits are regular fare in this alpine resort where Tito maintained a summer residence and hosted the Red and the Famous from 1947 until his death in 1980. Four years later, his Vila Bled—a masterpiece of modern architecture in a lush woodland lakeside setting—was transformed into a luxury hotel. Today, all 10 of its twin-bedded rooms (\$80 to \$110 a night, with buffet breakfast; subtract \$18 for single occupancy) and 21 suites (\$110 to \$240) are open to the public, which makes Vila Bled one of Europe's most elegant bargains—particularly with the rates still denominated in dollars.

"After Tito died," says Matjaz Završnik, the town of Bled's tourism director, "we had three choices: museum, mausoleum, or hotel. We chose the living."

The turn-of-the-century European movement called Modernismo in Barcelona, Art Nouveau in Paris, Jugendstil in Munich and Secession in Vienna didn't reach Slovenia until after World War I. Having arrived late, it stayed later—with Slovenian artists and artisans refining its virtues and discarding its excesses. The go-between was the architect Jozef Plecnik (1872-1957), who studied with Otto Wagner in Vienna, but spent his last 36 years back in his native Ljubljana, the Slovenian capital 60 kilometers (37 miles) southeast of Bled.

For Bled between the wars, Plecnik designed curvaceous street lamps and, on the 13-acre grounds of what became the Vila, a pavilion of rough-hewn columns and colored stones. Later, in the dawn of the nonaligned movement of nations, it would serve Tito as a hunting lodge for retreat and repose after chasing chameleons on the grounds and bear in the adjacent Julian Alps with "The Lion of Judah," Emperor Haile Selassie of Ethiopia, and President Nasser of Egypt. Today, the Vila Bled uses it for receptions and concerts.

BUILT after the war by a pupil of Plecnik's, Vinko Glanz, in a landscape of magnolia and hyacinth, the main house looks like a Louisiana manor with a California approach through wrought iron gates up a cobblestone boulevard to a canopied, pillared entranceway. The lobby is in a rare Slovenian black marble from a now-exhausted quarry near Ljubljana. The bar and staircases are of an Adriatic marble, "Little Flower of Brac."

Cool beige carpets lead down corridors of golden geometric wallpaper to spacious rooms furnished in the early 1950s. They boast such amenities as mini-bars and TV sets. Red linens in some suites have hand-made lace borders. The crystal-chaudered dining room is decorated with Adriatic Marz prints. In 1987, a kitchen strong on trout and a Serbian peasant stew called *Muckalica* led to a *coup de cuisine* in which Vila Bled became the first outpost in the communist world to be granted membership in the prestigious French association, *Relais et Châteaux*.

Today, the Vila Bled still attracts an occasional official visitor: most recently, Chancellor Franz Vranitzky of Austria, 25 kilometers (16 miles) away. The Italian border is 30 kilometers away, but nearer are the famous ski jump of Planica and the resorts of Kranjskagora (site of World Cup slalom and giant slalom racing, Bobsled, and Zlatnik for alpine skiing. The Triglav

national park, which begins just beyond Bled, is for advanced skiers, while the golf course of Bled is ideal for cross-country.

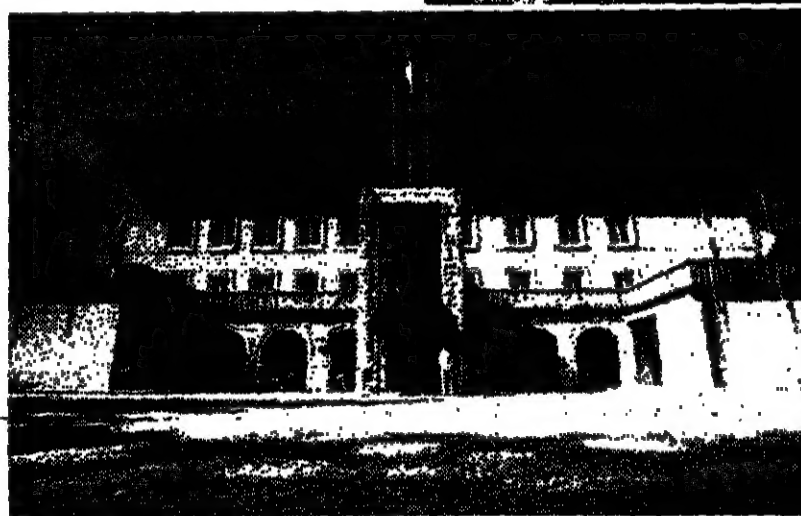
Adolfo Suarez came as an official visitor when he was prime minister of Spain and returned as a paying guest for ski holidays with his wife and some of his children.

Lake Bled—2.2 kilometers long (barely enough for 1989's world championship rowing regatta, the third to be held here) by 1.5 kilometers wide and 30 meters at its deepest—is of drinking water quality (motorboats forbidden) and embedded like a jewel between the towering summits of the Julian Alps and the massive ramparts of the Karawanken range. Here, where swans fly in flocks, a Slovenian bard, Franc Preseren, understated the case when he proclaimed that this magical region called Carniola "boasts no place lovelier than this sweet paradise."

On an island to which guests can row in 5 or 10 minutes with one of the Vila Bled's boats or be piloted in canopied gondolas, a Gothic church was built in 1465 and Baroque in 1687 with 99 steps leading up from the lake. Pilgrims used to climb those steps on their knees to tug at the cord of the church's "Wishing Bell," fashioned in 1554 by a Paduan craftsman. If the bell rings on the third tug, one's wish will be granted.

"A while ago, the Algerian oil minister, Belkacem Nabi, pulled and pulled and couldn't make it ring," recalls the reception manager Janex Fajfar, a onetime museum curator. "A couple of weeks later, the price of oil dropped. So the next time he visited, I reminded him about the Wishing Bell and he said this was the first time the situation had given him something to laugh about."

The most recent of many miracles attributed to the island church came a couple of winters ago when an early frost aborted the walnut crop; the only walnut tree to bear fruit was the one shielding a Baroque statue of Mary Magdalene in a provocative pose part way up the 99 steps. Air temperatures in Bled can go as low as minus 20 degrees



The Vila Bled, above, offers a view of some of Yugoslavia's most spectacular landscapes.

Centigrade (minus 4 Fahrenheit) between mid-January and April, when one can skate to church or travel across the ice aboard a tiny trackless train; in summer, the water temperature can reach 25 Centigrade (77 Fahrenheit).

In the 1880s, Bled—in Hapsburg hands for many centuries—was colonized by wealthy Viennese as well as Jewish merchants from Belgrade who built mansions and hotels by the lake. Visiting nobility came to test the thermal waters and therapeutic mud beneath Bled's placid surface. It was there that the Emperor Franz Joseph's granddaughter, Elizabeth (whose father, Crown Prince Rudolph, died with a mistress in Mayerling in 1889), married the young Prince Otto von Windschgrätz at the turn of the century.

In the ashes of World War I, the Hapsburg Empire disintegrated and Bled found itself in the postwar "Kingdom of the Serbs, Croats, and Slovenes" that eventually became Yugoslavia. In 1922, the fledgling kingdom gave the Windschgrätz estate to its

new ruler, Alexander of Serbia, as a wedding gift when he married Princess Marie of Romania.

A dozen years later, a Croatian terrorist assassinated Alexander, along with Foreign Minister Louis Barthou of France, in Marseille. The king's son and successor, Peter II, was only 11 years old, but his cousin, Prince Paul, ruled as regent. A man of grand and grandiose vision, Paul had a fresco of his namesake, St. Paul, painted on the clubhouse of the 18-hole course he commissioned the Scottish golf designer Donald Harradine to create across town. (Currently, it claims to be the only one operating in Yugoslavia; there are no green fees for guests staying in suites at Vila Bled.) Paul also ordered the palace torn down to make way for something more contemporary.

THIS was done in the turbulent time of 1938-39, but only Plecnik's pavilion—on a high bluff overlooking the lake and the miracle island's 99 steps—could be built before the German Army

occupied Bled in the spring of 1941. The pavilion went untouched by the Germans, who killed five percent of the civilian population (which now stands near 6,000). When the Germans were gone and Tito's Partisans mopped up in 1945, the country was communist and the monarchy had gone the way of the Hapsburgs. With Tito making few modifications of Prince Paul's conception, the Vila Bled was built in 1947 in the frenzy of reconstruction.

Tito later preferred to holiday on the Adriatic island of Brioni (where he broiled fish for Sophia Loren, whose husband, Carlo Ponti, has visited Bled). Bled, however, remained Tito's base for official entertaining of East bloc and Third World potentates. "When Western leaders came, Tito wanted aid," Fajfar explains, "so he sent them to the south to show how poor we were. When Eastern leaders came, he brought them here to show how well we lived."

One of Tito's first guests was the Bulgarian communist premier, Georgi Dimitroff, but, after Yugoslavia's expulsion from the

Cominform in 1948 for "deviations" Tito had few friends in East or West. I ertheless, King Paul of Greece came to Bled in 1954 to join Tito and the president of Turkey in signing a joint defense of the Balkan Pact, which looked good paper. The road around the lake was paved for the first visit of Haile Selassie, known as the "King of Kings" and "I of God"; one Bled native remembers that "he gave out gold coins while people were already starving in Ethiopia (Later, the self-proclaimed emperor Central Africa, Jean-Bedel Bokassa, would make waves in Lake Bled by giving a tip to the ticket-seller at the rambling c across the water.) When Jawaharlal N of India joined Nasser and Tito to the 1961 Belgrade conference on aligned nations, the three leaders retin Bled, 650 kilometers away, but N didn't hunt. At one reception, how Tito was a target: A ranking regional mumist smashed a wine glass against a

Continued on pag

# Holiday Visitors Will Find All Paris Is a Stage

by Thomas Quinn Curtiss

PARIS—Visitors spending the holidays in Paris will find a copious theatrical feast. This festive bill of fare runs the gamut from Racine to that mime of mimes Marcel Marceau (at the Théâtre des Champs-Élysées), from sumptuous revues and musicals to Jean-Paul Belmondo as Edmund Kean.

Among the new productions of note are Antoine Vitez's superb staging of Paul Claudel's epic of Spain in its 16th-century glory, "Le Soulier de satin" at the Théâtre de Chaillot; Francis Huster's mise-en-scène of Molière's "Don Juan" with Jacques Weber as the awful knight, Huster as his obedient servant and Fanny Ardant as Donna Elvira (at the Théâtre Renaud-Barraut); the double bill of Molière's "Monsieur de Pourceaugnac" (with Jacques Serjys as the provincial gentleman having a hard time in the big city) and Labiche's "La Poudre aux yeux" at the Comédie-Française; and Racine's "Iphigénie" with Silvia Monfort and Claude Brosset in the leading roles at the Carré Silvia Monfort.

Eric Rohmer, the film director, has tossed off an engaging little comedy, "Le Trio en mi-bémol" in which an aspiring classic composer (Pascal Greggory) converts a flighty girl (Madonna on rock (Jessica Forde) to higher musical appreciation. A diverting conversation piece with its two players smartly costumed by Kenzo, it is at the Petite Salle of the Renaud-Barraut theater.

The late André Roussin made his farewell to the theater with an amusing sketch, "La Petite chatte est morte" in which the

jealous guardian of Molière's "L'Ecole des Femmes" stands trial for murder. It is at the Gaiety.

Lohé Bellon's "L'Éloignement" (The Estrangement) at the Gaiety Montparnasse tells of a dramatist who is more interested in his plays than in his family. When he is down with first-night anxiety, the conflict comes to its climax. Pierre Arditi is commendable as the unhappy playwright.

REVIVALS outnumber the new plays. Pierre Dux and Robert Hirsch display their histrionic gifts in Paul Valéry's philosophical discussion, "Mon Faust," at the Comédie des Champs-Élysées. Suzanne Flon, Georges Wilson, Jacques Duflho and Jean Topart provide some remarkable ensemble acting in Jean Sarment's wistful comedy, "Léopold, le biso-né" at the Théâtre de l'Œuvre. Henry Bernstein's "Le Secret" has been resurrected at the Théâtre Montparnasse in a silken production, directed artfully by Andreas Voutsinas, with Anny Duperey as its deceptive heroine, Pierre Vanecq as her husband and Fabrice Luchini as an awkward, uptight young man who would marry into the family. Robert Hossein has brought back the popular 19th-century melodrama "L'Affaire du courrier de Lyon" and framed it as a courtroom investigation with members of the audience as jurors at the Palais des Sports at Porte de Versailles. Ibsen's "Maison de poupée" is on under Claude Santelli's guidance at the Théâtre de la Commune d'Aubervilliers, and Jacques Maclair is giving playgoers a novelty with his presentation of the Russian comic masterpiece, Alexander Ostrovsky's "En famille on s'arrange tou-

jours" at the Théâtre du Marais. "Haute Autriche" by the Bavarian Franz Xavier Kroetz, at the Théâtre Marie Stuart, a sociological study of a couple living in an Austrian town, is another novelty.

The Folies-Bergère boasts of "Folies en folie," a Michel Gysarmaly extravaganza in his best style. Serge Lama, the pop singer, occupies the Casino de Paris with his concerts, now in their third month. The Lido's revue, "Panache," is a lavish spectacle worthy of its international reputation. At the Moulin Rouge, Toulouse-Lautrec's quoniam haunt, which has been fashioned into an attractive theater, a presentation entitled "Femmes... femmes... femmes" animates with Parisian flair the performing space.

AT the Crazy Horse Saloon its latest production on a miniature stage, "Happy Crazy 87" reveals again the imaginative showmanship of Alain Bernardin, its proprietor. With taste, wit and invention he has lifted the striptease into a theatrical art blending eroticism with humor. The Paradis Latin has a new show of scenic wonders with "Hello Paradis" and the Alcazar's latest is "Rire et Délire" in which gaiety and informality abound. L'Éléphant Bleu exposes "Les Sirènes du Pacifique" and at Michou talented transvestites perform side-splitting impersonations of celebrated songbirds.

French farces are so few these days that farces are being imported by the cargo from London, but one native practitioner of the art survives. This is Marc Camoletti, who has taken the Théâtre Michel as his show



Continued on page 8 Marcel Marceau.



## TRAVEL

## THE FREQUENT TRAVELER

## London's STOL Airport Is Businessman's Dream

by Roger Collis

I HAVE seen the future and it works. At least it worked for me when I flew to Brussels last week from the new London City Airport, which opened on Oct. 26. Consider: It took 25 minutes by taxi from a pub near the Bank of England to check-in for the 3:30 P.M. flight. Twenty minutes later I was airborne and by 6:15 P.M. Brussels time I had opened the minibar in my hotel room downtown. The total journey took two and a half hours.

London City, or Stolport as it is called for short takeoff and landing airport, is built on an old dock in the east of the City to serve the business traveler. It is six miles (10 kilometers) from the Bank of England, compared with 17 miles for Heathrow and 25 miles for Gatwick. Even in the height of rush hour you can safely allow 45 minutes by taxi, whereas you might need two hours to get to Heathrow. You can check in up to 10 minutes before the plane leaves. So you could be in Paris or Brussels by the time you would have boarded at Heathrow.

So far only two airlines are licensed to fly out of London City: Brynmor Airways, a Plymouth-based regional carrier in which British Airways has a 40-percent interest, and Eurocity Express, a subsidiary of British Midland. Both operate the Canadian De Havilland Dash 7, a four-engine turboprop. Brynmor has fitted the Dash with 46 seats and Eurocity with 44 seats in a four abreast executive configuration.

The Dash 7 is the only plane allowed to present to operate from the airport. It has an exceptional short takeoff and landing performance demanded by the 2,500-foot (762-meter) runway. The Dash 7 has also met the limit for noise levels, of major environmental concern. Night flights have been banned and the number of movements—takeoffs and landings—has been restricted to 120 a day (Monday to Friday) and 40 a day at weekends.

According to both airlines, no more than 200 to 300 travelers are expected to use the airport at any one time. Last week I counted 31 people, which included my 17 fellow passengers.

The airport is a businessman's dream. You have a marvelous feeling of space; the whole place is almost disturbingly quiet, like a big executive lounge. There are the usual amenities: car rental (Hertz and Europcar), a change office and a decent restaurant and bar. A business center with conference rooms, one-man work areas and high tech equipment is due to open next month. Phones accept major credit cards.

The airport complex, which cost £34 million, is owned and run by John Mowlem & Company PLC, a British construction firm. Says John Douthwaite, the airport director,

"We have tried to create a hotel-type environment for the business traveler."

Eurocity flies thrice daily (Monday-Friday) each way between London City and Brussels and four times a day to Paris-Charles de Gaulle (Terminal 1). It has licenses to fly to Amsterdam, Rotterdam, Düsseldorf, Manchester and the Channel Islands. Says Jonathan Wilson, the Eurocity general manager, "Amsterdam is probably our next service early next year. Jersey and Guernsey late spring and Manchester later in the year."

Brynmor flies six times a day between London City and Paris-Charles de Gaulle (Terminal 2B) Monday-Friday and once a day on weekends. It has a daily weekday flight to Plymouth hub. "We hope to start Amsterdam and Brussels in the new year," says Tony Auld, Brynmor's station manager.

There are no price breaks at London City. All fares are full business class for each destination (Brynmor does offer PEX on some flights subject to the usual restrictions). I paid £202 (about \$370) for my round-trip to Brussels, whereas I could have flown London European Airways from Luton Airport (30 miles) and at least an hour from the Bank of England) on a flexible ticket for £98.

What about some innovative pricing? Says Wilson, "This is an expensive airport and the planes are expensive to operate. We believe we are offering real value; a better way to get to and from the City of London. It's a question of priorities; I don't want to confuse our marketing message by talk about fares."

But if this venture is to fully succeed, one needs a Stolport, or at least "STOL" procedures at the other end of the routes in order not to dilute the time-saving benefits.

Says Douthwaite, "Our build-up period has been encouraging but there's an awareness job to do. I don't know of any specific intentions to build Stolports on the European mainland—although there is a rumor of one in Sheffield (in the north of England). But even without the city center we need a separate business class facility. We are now starting to talk to other airlines and airports."

But the crucial issue for the future of London City is whether bigger, faster planes will be allowed to operate. "The Dash 7 production line is closing, which means the airport will last only around 15 years unless it is replaced," Wilson says. Moreover, the Dash 7, which has a cruising speed of only 260 mph, has an effective range of about 300 miles. Both Eurocity and Mowlem are rooting for the much faster British Aerospace 146 turbo fan jet, which with a cruising speed of 490 mph and a range of 900 miles can fly 85 to 90 passengers in greater comfort to destinations such as Copenhagen, Vienna, Rome and Madrid.

## Marbled Paper: The Art of the Clouds

by Susan Lumsden

IN Turkey where it flourished in the 15th century, marbled-paper making was known as *ebru*, or the art of the clouds. Pastel, abstract and as mutable as a cloud, marbled paper was reserved for religious writings because it so enhanced the venerable texts. Islamic law forbade its ripping, burning or otherwise unauthorized disposal.

In 17th-century France the official book-binder to Louis XIII created a similar *papier à nuage*, so named for the basin in which the paper was dipped to obtain its heavenly hues. Colorful yet dignified, marbled paper was used for the tracts that were issued in the sovereign's name. It was paper fit for a king.

And over the seas in shrewd Yankee America, Benjamin Franklin insisted in 1776 that the \$25 bill of the new Revolutionary currency be edged with marbled paper to prevent its being forged.

Although marbled paper probably originated in China and a comparable paper art called *suminagashi* has existed since the 12th century in Japan, *ebru* arrived in Europe through Venice with its windows open to the Orient.

THE tight, stylized, characteristically Islamic interplay of form and color made marbled paper ideal for the flyleaves of leather-bound, handwritten books. With the invention of the printing press, marbled paper constituted the first paper-based revolution when it jumped from the inner to the outer covers of books.

Made throughout Europe, even in the 19th century, marbled-paper making survives today almost exclusively in Florence with its old artisan economy grafted onto the airborne tourist trade of the 20th century. Nothing is lighter or easier to take home than a sheet of handmade *carta marmorata*, which sells in Florence's three main marbled-paper shops for less than \$8. Cheaper still are the pencils covered decoratively in marbled paper and selling for little more than \$1 at Giulio Giannini & Figlio, Florence's oldest marbled-paper maker at 37 Piazza Pitti.

Founded in 1856, Giannini was first a bookbinder that catered to the large foreign literary colony that reigned over 19th-century Florence. Elizabeth Barrett Browning, for one, had her "Sonnets from the Portuguese" and "Casa Guidi Windows" published in later editions by Giannini. Browning's Florence home, the Casa Guidi, is now a museum at No. 8 Piazza San Felice, just around the corner from the Giannini shop. The *bottega* celebrated its 130th anniversary last year with a book exhibition in the Palazzo Strozzi.

It was the English pre-Raphaelite revival with its fascination for illuminated Gothic manuscripts that was the inspiration for Florentine paper, which is machine made, widely sold and not to be confused with marbled paper.

"There's not a single Italian text on the subject, although most marble paper is now



Gabriele Giannini with a photo album.

made in Florence," said Gabriele Giannini, 43, who runs the cheery shop with its prevailing pastel, marbled-paper colors. A typical artisan family operation, the shop is run jointly by Giannini's brothers Guido and Enrico under the direction of their father, Giulio, 86, who illustrates the poetry the Giannini still publish in Italian and in English.

"The English are the true book lovers of the world; the French are the finest connoisseurs," continued Gabriele Giannini. "Do you know that in Paris there's a Society of Friends for the Binding of Books? This is unheard of in Italy."

QUINTESSENTIALLY Italian and unchauvinistic, Giannini gallantly nominates the French company Michel Duval as the best marbled-paper maker today. The reason, he says, is Duval's faithful use, like his own, of natural dyes and water to marble paper. The competition, he said, even in Florence, often uses chemical dyes and oil to create the swirling, rhythmic patterns that have enchanted the human eye for high on 2,000 years. While it's easier to use oil rather than water as a blender, oil tends to fuse and muddy rather than clarify the colors, explained Giannini.

Thereafter, marbling is a secret best known to its jealous master. It's the reason little has been written on the subject. Basically, a resin or glue is added to the basin initially to attach the floating pigments to paper. (The Gianninis boil lichens from the North Atlantic to make their glue.) After the colored paper is lifted gently from its bath, it is patted, sponged, combed or brushed into patterns. The three most popular are pea-

cock's tail, combed or marbled; the last became the general term early on. Of the 200 or so sheets obtained from one basin, no two are alike. Each is a work of art that can then be cut and glued to agendas, blotters, bookends and all the paraphernalia to enhance desks and the even more elusive art of writing.

PRICES in the Giannini shop range from about 50 cents for a bookmark to about \$300 for a photo album. The most popular items are the address books and agendas selling from \$7 to \$18 according to the size. In addition, there are the decorative spheres, pyramids and obelisks at about \$60. Giannini even makes portable or lap desks in the same pattern as accessory objects for about \$240. They are perfect for writing in bed.

The current revival of the ancient art of marbling inspired Lino Freviato, 56, to leave Giannini five years ago and set up shop on his own. At La Bottega Artigiana del Libro, 40r Lungarno Corsini, he specializes in the bookbinding that he was taught as a boy by the Salsesian monks of Turin. Perhaps the most ingenious items in his shop are the empty box-books, beautifully bound in leather and finished in marbled paper, which look scholarly and impressive on a bookshelf. They are also useful containers of letters, bills, snapshots, souvenirs.

Freviato, who uses both oil and water-based colors in his basin, makes all the regular agenda and address books. The most fanciful of his works are the carnival masks made of papier-mâché and covered with marbled paper or marbled directly. They sell for \$25 to \$45.

Another offshoot of the Giannini *bottega* is Il Papiro, or The Papyrus, the reed with which the ancient Egyptians made paper. Founded by another Giannini brother, Francesco, 39, in partnership with Gianni Parenti, Il Papiro has branches in Siena, Rome and Venice as well as two shops in New York. Generally the prices are cheaper and the choice greater in Florence. The main and original Il Papiro shop is at 55r Via Cavour, the others at 24r Piazza del Duomo and 42r Lungarno Acciaiuoli. Generally, Il Papiro's colors are darker.

At Il Papiro the characteristic items are the folded paper animals, or *origami*, first made by the Japanese. While these delightful frogs, owls, peacocks and butterflies would seem to be aesthetic toys for adults, they have an effect on children, too. A certain, irrepressible 3-year-old nephew by the name of Craig became so attached to his yellow and brown cricket from Il Papiro that he took it out with him to shovel snow last winter. Not surprisingly, it disappeared into the blowing drifts. The loss was so great that an urgent appeal was made to Florence to send another marbled paper cricket.

In the early '70s, the Gianninis were the first to cover desk objects with marbled paper. Now, they are covering the same utilitarian items with some of the less important pieces of paper in which Florence floated after the 1966 flood. Salvaged, restored and applied by the Gianninis, they are reminders of the value of paper before the throw-away society.

Susan Lumsden, who lives in Tuscany, wrote this for The New York Times.

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Denmark D.Kr.	2,500	31	1,400	23	770	15
Finland F.M.	1,730	41	950	35	530	29
France F.F.	1,500	41	820	36	450	29
Germany D.M.	580	41	320	35	175	29
Gr. Britain £	130	40	72	34	40	27
Greece Dr.	22,000	45	12,000	40	6,600	34
Ireland Irl.	150	45	82	40	45	34
Italy Lire	380,000	42	210,000	36	115,000	30
Luxembourg L.Fr.	11,500	37	6,300	31	3,400	25
Netherlands Fl.	650	40	360	34	198	27
Norway (post) N.Kr.	1,800	38	990	32	540	26
— (incl. del.) N.Kr.	2,300	21	1,270	13	700	4
Portugal Esc.	22,000	52	12,000	47	6,600	42
Spain (post) Ptas.	29,000	41	16,000	35	8,800	28
— Madrid (incl. del.) Ptas.	42,000	15	21,000	15	10,500	15
Sweden (post) S.Kr.	1,800	38	990	32	540	26
— (incl. del.) S.Kr.	2,300	21	1,270	13	700	4
Switzerland S.Fr.	510	44	280	38	154	32
Rest of Europe, N. Africa, former Fr. Africa, Middle East S.	430	Varies by country	230	Varies by country	125	Varies by country
Rest of Africa, Gulf States, Asia	580		320		175	

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## GUARANTEE

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## Vila Bled Continued from page 7

Bled window to protest her host's high living.

EARLY in the 1960s, Nikita Khrushchev visited Bled. Followed by Hungary's Janos Kadar and Poland's Wladyslaw Gomulka, Tito's nonaligned activities attracted Ghana's Kwame Nkrumah, Tunisia's Habib Bourguiba, Burma's U Nu, and Nehru's daughter, Indira Gandhi, among other leaders. But all these state visits were just overtures to the coming of Kim Il Sung in May 1975.

The North Korean communist

deity arrived with an entourage of 100 and protested when some of his staff had to be billeted at the nearby Grand Hotel Toplice instead of Vila Bled. All his aides wore medals and other high decorations displaying Kim Il Sung's face. In a Slav culture where visitors are given badges or pins just for buying in a shop or visiting a spa, these hard-won honors had infinite allure to local collectors. The North Korean dignitaries could scarcely fathom who was insulting whom: the natives offered them two Tito badges plus one three-headed Redanska Mineral Water pin for a

Kim Il Sung. Still, their chief liked Bled so much that, to everybody's dismay, he prolonged his stay. When he finally departed, his aides turned the table, literally, on Tito and the natives by hauling away furniture and linens from his suite as well as a comb that still bore a strand of hair—all to be enshrined in a Pyongyang museum honoring their dictator.

After Tito died in 1980, there were fewer official visitors and the collective leadership that succeeded him eventually gave Vila Bled to the Slovenian government. Renovating and running it was entrusted

to the luxury hotel cooperative that manages the Grand Hotel Toplice and the golf course. The natives welcomed the bigger spending and private bargaining brought by paying guests. Do they mind the conings and goings of world figures on the local scene? Fajfar answers: "My grandmother always used to say to me: 'They come and they go. We have to stay.'"

The Vila Bled is open Dec. 15 to Jan. 15 and Easter through October. ■

Alan Levy is an American writer who lives in Vienna.

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**HOLIDAYS & TRAVEL**  
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## Paris Stage Continued from page 7

window and was rewarded with long runs of his comedies of misidentification and threatening adulteries. His latest is "La Chambre d'ami" (The Guest Room), which has just opened with the comic star Odette Laure as a housemaid trying to conceal the infidelities of her master and wife.

The program of musicals is of wide range. Offenbach's rarely performed operetta, "Le Pont des soupirs" is at the Théâtre de Paris. The evergreen "L'Auberge du cheval blanc" with its alpine high-jinks is at the Eldorado. Jérôme Savary's adaptation of "Cabaret" continues at the Mogador.

The impossibility of properly casting a French version of "A Chorus Line" has defeated all local producers so it has come to Paris in English with an American company at the Théâtre du Châtelet.

The Swiss Fantasia Zou, long appreciated by the cognoscenti, has burst forth on the larger public with her current engagement at the Bataclan, a battered music hall of the 1890s in the République dis-

trict. Her triumph is amazing. Overnight she has become a popular idol. Her vehicle is the most ambitious she has yet attempted. It bears the title "De A à Z" and in it she evokes with sardonic cartooning the story of a woman's life from childhood to the declining years. Her work might be compared to that of a gifted quick-sketch artist: three or four strokes dashed off and the portrait is complete.

Jango Edwards, the American zany (at the Splendid Saint-Martin) stalks laughter fearlessly, defying all decorum and playhouse politesse. He is a theatrical cyclone who sweeps all before him. His direct-action technique is flawless. He splutters in English to French spectators, few of whom comprehend what he is saying. This is usually saying is impermissible and matters little. He is to be seen, not heard.

Clown and acrobat, he keeps his audience in gales for an hour and a half. Preparing a pantomime sequence he comes out in a familiar, looking shirt. "Yes," he vociferates. "This is Marcel Marceau's shirt. He stole it from him." "What's the beef?" he shouts, raising his fists in defense.

He then goes into a travesty of a Western movie, playing the bad man, the good sheriff, the dance-hall girls, the threatened heroine, even providing a shootout.

When there is tittering in the house at his impersonation of a classic pianist he descends into the auditorium to beat offenders with a rubber club. Dressed in balloon suit and out of control he falls from the stage into the lap of a customer, bringing down customer and chair with a crash. He is, in short, a marvel of rough-and-ready hilarity. When the show is over, it turns out it is not over. In a Santa Claus dressing gown he is at the exit door to bid his spectators, still guffawing, farewell. Happy Holidays! ■

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## TRAVEL

# Mexico's Chapultepec Park: The Heart and Lungs of a City

by Larry Rohter

**M**EXICO CITY — It is one of the world's great urban parks, rivaling the Bois de Boulogne in Paris, the Imperial Gardens in Tokyo and Central Park in New York. But for the 20 million residents of Mexico City, the Bosque de Chapultepec is more than just a vast verdant expanse in the heart of the city. It is also a repository of national history and identity, a major cultural center and their favorite place for a Sunday picnic, soccer game or flirtation.

Foreign visitors to Mexico City, however, tend only to skirt the edges of this 1,655-acre park, thus missing out on much of its charm. Chilangos, as those who live in the Mexican capital are called, are quick to tell visitors that, if they wish to see residents of the world's largest city truly being themselves, a visit to Chapultepec is indispensable. Others go further and say that Chapultepec is really Mexico in microcosm. "This is a garden and forest that belongs to all Mexicans," the park's director, Antonio Maldonado y

is especially attractive because it abounds in trees, wildlife, fresh air and silence.

But perhaps the best place to start is with Chapultepec Park's 10 museums, some of which are regarded as being among the best in the world. The National Museum of Anthropology in particular stands out with sections devoted to each of the major pre-Columbian Indian civilizations to which Mexicans trace their origins: Aztec, Maya, Toltec and Olmec. A few blocks down the Paseo de la Reforma, which cuts through the north part of the park, is a pair of art museums that are also internationally renowned. The Rufino Tamayo Museum honors Mexico's greatest living painter, while the Museum of Modern Art contains works by foreign and Mexican artists.

Just outside the northern edge of the park is the Centro Cultural, an ambitious new museum with shows spotlighting Mexican and foreign art. A current exhibition, "Four Centuries of the Image of La Virgen de Guadalupe," devoted to the patron saint of Mexico, contains more than 500 paintings, sculptures and photographs, including a large selection of ex votos, tin icons tradi-

natural habitat is on the slopes of a handful of Mexican volcanoes.

Also scattered throughout the park are more than 1,100 ahuehuete trees, which are members of the same family as the sequoia.

One of the features of the park most popular with residents is the lake that sprawls over a large portion of the first section. It is possible here to rent pedal boats or rowboats. From the water, the view of Chapultepec hill and castle is one of serenity and grace, with the surrounding trees reflected in the water.

Mexicans like to say that Chapultepec offers something for everyone, and that seems to be true. For the very young, there are numerous playgrounds equipped with swings and slides. There is also a Garden for the Elderly, not far from the Korean Pavilion in Section 1, which children and adolescents cannot enter.

Indeed, each corner of the park seems to have its own personality. The intersection of Ruben Dario and Campos Eliseos streets in the extreme northeast of the park, for instance, is a spot where young bullfighters often come to practice.

Sunday may be the best day to capture the true flavor of Chapultepec. All of its museums and most of its other attractions are free on Sunday, and thousands of Mexican families respond by spending the day at the park.

**T**HERE has been a continuous human presence in the park since at least A.D. 1122, when the Toltecs arrived and gave Chapultepec its name, which means Hill of the Grasshopper. It is not clear whether that choice arose from the shape of the hill that looms over the park's easternmost section or from the abundance of grasshoppers in the surrounding woods.

The grasshoppers are still around, much to the delight of curious toddlers who chase them across the open fields and meadows. As for the hill, the Toltecs erected an altar to their gods on its summit.

Later, the Aztecs came and chose Chapultepec Hill as the repository for the ashes of their rulers. Nezahualcoyotl, the prince of Texcoco, built a summer palace east of the hill around 1428; today he is honored with a statue and 600-foot-wide fountain in the first section. Chapultepec also proved to be a favorite place for the emperor Montezuma Xocoyotzin, who built a zoo and arboretum not far from the foot of the hill.

Traces of that pre-Columbian period are still being uncovered. The most notable site is near the foot of Chapultepec Hill, where Montezuma and his priests would ingest peyote in preparation for the religious rites they carried out there. Also worth seeing are the Baths of Montezuma, a remnant of the many reservoirs, canals and waterfalls that the Aztecs constructed here.

One of the last stands of the Aztecs against Cortez and his conquistadors took place on Chapultepec Hill in May 1521, and in 1530 the park, whose access had previously been limited to the Aztec nobility, was declared open to the public by decree of Emperor Charles V. The castle atop the hill that was later to serve as the residence of Mexican presidents as well as Emperor Maximilian was built by the Spanish in the 16th century. Today it is the home of the National Museum of History.

In 1847 Chapultepec was the site of a decisive battle in the Mexican-American War. A band of cadets studying at the military academy in the castle were overwhelmed by the troops of General Winfield Scott, an incident that gave rise to the phrase



The lake in Section 2. Boats are available for rent.

in the United States Marine Corps hymn about "the halls of Montezuma." Rather than surrender, the cadets leaped to their death from the summit of the hill.

Though the former presidential residence atop Chapultepec Hill has been a museum since 1940, Mexican presidents continue to live in the park. Los Pinos, the presidential residence and office, is an impressive white stucco structure visible from the Periferico Expressway, which slices through the center of the park. Unlike the White House, it is not open to tourists by visitors.

Even the National Pantheon is worth visiting. It contains a Rotonda of Illustrious Men, which is the final resting place of many historical figures. Artists such as Diego Rivera and musicians such as Agustín Lara are buried there; so are several Mexican presidents and more than a score of generals.

The National Auditorium is one of Mexico City's principal arenas, a place favored by musical ensembles and dance troupes. Prominent singers from Mexico and elsewhere in Latin America perform here regularly, as well as occasional American artists like Kris Kristofferson.

On evenings in April and May, a local ballet company performs "Swan Lake" with

Chapultepec Castle and Lake as a backdrop. Tickets for this springtime tradition can usually be acquired at travel agencies or at the Palacio de las Bellas Artes downtown.

On weekends throughout the year, the Chapultepec Orchestra plays at various locations in the park. There are also free cultural shows, ranging from ballet and guitar recitals to puppet shows and poetry readings, offered daily.

**I**N the days of the Aztecs, Chapultepec was deliberately maintained as an elite spot far from the center of daily life. Today, however, the park adjoins Mexico City's principal business and commercial districts, so finding a hotel is no problem. The Camino Real, Presidente Chapultepec and the brand-new Nikko, probably the three best hotels in the capital, are all on the edge of the park, a short walk from the major museums and the National Auditorium. Visitors staying at downtown hotels can reach the park on two different subway lines or by taxi or bus.

For those staying at nearby hotels, it may be worthwhile to take advantage of the athletic pursuits that Chapultepec offers. In Section 2, a 2,000-meter jogging trail winds its way among a grove of trees. There is also

archery and horseback riding in Section 3. A wide variety of food is also available. It is probably unwise for the first-time visitor to sample the sandwiches, hot dogs and tacos sold by vendors, but several of the museums have cafeterias offering solid food at reasonable prices. At night, the Restaurante del Lago, serving Continental food and some Mexican dishes, is one of the city's preferred dining spots.

Chapultepec Park is open 365 days a year, though some museums and gardens close for maintenance one day a week, usually Monday or Tuesday. A free guidebook to the park, in Spanish, can be obtained from the information center atop Chapultepec Hill; an English-language version is expected to be available early next year.

Because of the large number of people who use it daily, Chapultepec's first section is generally secure. The biggest problem is pickpockets who prey on tourists outside the Museum of Anthropology, pretending to help guide visitors to taxis or buses. It is advisable to avoid secluded sections of the park's second and third sections after dark. But problems of visitor safety and security are small.

© 1987 The New York Times



The main staircase of the National Museum of History.

Huerta, said, "It is the lungs of Mexico City, but it contains the heart and soul of Mexico."

Like ancient Gaul, Chapultepec is divided into three parts. The first section is the oldest and most active as well as the one most likely to be of interest to the visitor. The second, dominated by a pair of amusement parks, Mexico's national cemetery and several lakeside restaurants and cafeterias, is largely manmade. The third, though less frequented,

nationally commissioned as thanks for blessings bestowed. It runs through March 15.

A stroll through the park reveals much unusual flora and fauna. There are nearly 60 species of birds.

The Chapultepec Zoo is not especially large, but it has more pandas — seven — than any zoo outside of China. It also has in its collection the esquima, a rare variety of dog raised by the Aztecs, and the teporingo, an endangered species of rabbit whose only

## Buying Wine, Liqueurs in Paris: Two Cellars Worth Consulting

**P**ARIS — Jean-Claude Vrinat has two great passions, wine and gardening. But for nine months the owner of Taillevent, Paris's most highly regarded restaurant, has not picked up a rake, a hoe or a garden catalogue. Instead, he has been adding to his already encyclopedic

### PATRICIA WELLS

knowledge of wine by traveling the country in search of the finest independent winemakers, sampling more than 2,000 wines to create a totally personal wine shop, known as Les Caves Taillevent.

The newly opened store is on the fashionable Rue du Faubourg-Saint-Honoré, a few blocks from the restaurant, and bears that distinctive Taillevent signature. With elegant stone walls and wooden shelves, the shop like the restaurant reflects understated, classic taste.

**V**RINAT — whose restaurant wine list is among the most exhaustive and best priced in France — now offers consumers the choice of more than 300 wines, sumptuous at affordable prices. The lowest-priced wine in the shop sells for 18 francs (about \$3.25), a little-known white from the southwest, a 1986 Vin de Pays des Côtes de Gascogne, Domaine du Tariquet.

Vrinat's goal is to help the public know the small winemakers of France, so even those with extensive knowledge of French wine are likely to make new discoveries.

Although shoppers can browse through a complete, 47-page listing of items available in the shop, he has compiled a "good value" list representing nearly every region of France. Anyone who wants a quick Vrinat's education could start with this list. Vrinat's selection of daily-drinking wines lists 19 whites and 23 reds ranging in price from 22 to 120 francs.

The list includes some good-value Bordeaux, such as a 1981 Château La Tour de By at 66 francs a bottle and a 1983 Château Potensac at 76 francs, both Médoc; a little-known Anjou white, Côteaux de l'Aubance, from the Domaine de Haute Perche, at 40 francs, and a fine white from the Maconnais region of southern Burgundy, 1986 Saint-Véran, Domaine des Deux Roches, at 54 francs.

Whether that bottle costs 18 francs or 1,800, each one is carefully stored in one of the two temperature-controlled cellars in the shop. Every bottle displayed on the shelves

or in the shop window is a dummy filled with colored water, so that no bottle suffers from light or temperature overexposure.

For those who want to move beyond the French borders, there is a small selection of wines from Germany, Italy and Australia, and from Spain he offers the dramatic Valbuena red wine.

Lovers of eaux-de-vie will feel a bit closer to heaven on finding not only the fine Châteaude Briat Armagnac but an incredible selection of Alsatian clear brandies from J.P. Mett, including those flavored with wild

*Vrinat's goal is to help the public know the small winemakers of France, so even those with extensive knowledge of French wine are likely to make new discoveries.*

mint leaves, peach and citronnelle. Add to this an impressive selection of sherry, madeira, single malt Scotch, vintage port, champagnes, liqueurs and even vinegars, and one could easily spend a day lost in Vrinat's cellars.

The process of creating a wine collection often moves in fits and starts, according to one's time, interests, passions and pocketbook. For those who have the passion as well as a nest of available cash, a visit is in order to the Paris wine expert Peter Thustup.

Thustup, a young Swedish businessman who has turned his passion for old and rare wines into a thriving business in four years, might be called a stockbroker for wine lovers. What he does is offer a thorough person-to-person wine counseling service, including specialized wine counseling service, including everything from creating a wine cellar from scratch to filling in empty spots in an existing cave.

Although one can wander into his shop and find moderately priced wines — there is a 1983 Château La Violette, a Pomerol, for 155 francs and a 1973 Château Figeac, a

first-growth Saint-Emilion, for 225 francs — Thustup's focus is on the rare and old, thus expensive. His current collection includes more than 40 vintages of Château d'Yquem, 30 vintages of Romanée Conti, 40 vintages of first-growth Bordeaux, as well as such rarities as a jeroboam of 1929 Château Gruaud-Larose.

But it is his personal attention, not simply the collection of bottles, that appeals. Basically, Thustup works with a core of 30 or 40 regular clients, an international mix of French and non-French, each of whom spends about 250,000 francs a year on wine.

Thustup approaches a potential new client — that is, someone who is willing to invest an initial 250,000 francs on a wine collection — in much the way a doctor takes a personal medical history. He visits the client's cellar space, finds out why he wants to begin a wine collection (for prestige? to show off? to invest? to age?), discusses his food preferences, and then begins tasting with him.

"I might leave this person alone for six months, asking them to note which of the wines they liked or disliked. At the end of that time, if there were wines they really disliked, I would buy them back," he explains.

**H**E says that he knows most of his client's cellars by heart, and when he finds a certain bottle — say a 1937 Château Haut-Brion — he knows that the client who collects Haut-Brion, and whose wife was born in 1937, will be a certain buyer.

Thustup, who has learned all he knows about wine by keeping notes on each bottle he samples, has created his wine collection by buying up existing collections, at auctions and through word of mouth.

Like Vrinat, he is a perfectionist about storage. Every display bottle is also a dummy, and he grins as he says that he personally emptied every one of those rare old bottles before filling them with colored water.

*Les Caves Taillevent, 199 Rue du Faubourg Saint-Honoré, Paris 8; tel: 45.61.14.09. Open 10 A.M. to 8 P.M. Closed Sunday and August. Credit card: Visa.*

*Vins Rares et de Collection, Peter Thustup, 3 Rue Laugier, Paris 17; tel: 47.66.58.15. Open 10 A.M. to 7 P.M. Closed Sunday. Credit cards: American Express, Diners Club, Eurocard, Visa.*

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NYSE Most Actives				
Vol.	High	Low	Last	Chg.
IBM	210.00	209.00	209.00	-1.00
AT&T	150.00	149.00	149.00	-1.00
GE	120.00	119.00	119.00	-1.00
Amgen	100.00	99.00	99.00	-1.00
Amgen	100.00	99.00	99.00	-1.00
Amgen	100.00	99.00	99.00	-1.00
Amgen	100.00	99.00	99.00	-1.00
Amgen	100.00	99.00	99.00	-1.00
Amgen	100.00	99.00	99.00	-1.00
Amgen	100.00	99.00	99.00	-1.00

Market Sales				
NYSE adv. volume	171,700,000			
NYSE adv. value	\$22,400,000,000			
NYSE adv. price	\$130.40			
NYSE adv. time	1:00:00			
NYSE adv. price	\$130.40			
NYSE adv. time	1:00:00			
NYSE adv. price	\$130.40			
NYSE adv. time	1:00:00			
NYSE adv. price	\$130.40			
NYSE adv. time	1:00:00			

NYSE Index				
High	Low	Close	Chg.	Vol.
12,170	12,160	12,160	-10	171,700,000
12,170	12,160	12,160	-10	171,700,000
12,170	12,160	12,160	-10	171,700,000
12,170	12,160	12,160	-10	171,700,000
12,170	12,160	12,160	-10	171,700,000

Thursdays  
**NYSE**  
Closing  
Via The Associated Press

AMEX Diary				
Class	Prev.	Close	Chg.	Vol.
Advanced	217	217	0	100
Declined	217	217	0	100
Unchanged	217	217	0	100
High	217	217	0	100
Low	217	217	0	100

NASDAQ Index				
Close	Chg.	Prev.	High	Low
2,170	-10	2,180	2,180	2,160
2,170	-10	2,180	2,180	2,160
2,170	-10	2,180	2,180	2,160
2,170	-10	2,180	2,180	2,160
2,170	-10	2,180	2,180	2,160

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
Amgen	100.00	99.00	99.00	-1.00
Amgen	100.00	99.00	99.00	-1.00
Amgen	100.00	99.00	99.00	-1.00
Amgen	100.00	99.00	99.00	-1.00
Amgen	100.00	99.00	99.00	-1.00

Dow Jones Bond Averages				
Class	Prev.	Close	Chg.	Vol.
Govt	114.5	114.5	0	100
Corp	114.5	114.5	0	100
Govt	114.5	114.5	0	100
Corp	114.5	114.5	0	100
Govt	114.5	114.5	0	100

NYSE Diary				
Class	Prev.	Close	Chg.	Vol.
Advanced	114.5	114.5	0	100
Declined	114.5	114.5	0	100
Unchanged	114.5	114.5	0	100
High	114.5	114.5	0	100
Low	114.5	114.5	0	100

Odd-Lot Trading in N.Y.				
Buy	Sell	Share	Price	Vol.
100	100	100	100	100
100	100	100	100	100
100	100	100	100	100
100	100	100	100	100
100	100	100	100	100

Dow Jones Averages				
Open	High	Low	Last	Chg.
117.00	117.00	117.00	117.00	0.00
117.00	117.00	117.00	117.00	0.00
117.00	117.00	117.00	117.00	0.00
117.00	117.00	117.00	117.00	0.00
117.00	117.00	117.00	117.00	0.00

Standard & Poor's Index				
High	Low	Close	Chg.	Vol.
217.00	217.00	217.00	0.00	100
217.00	217.00	217.00	0.00	100
217.00	217.00	217.00	0.00	100
217.00	217.00	217.00	0.00	100
217.00	217.00	217.00	0.00	100

NASDAQ Diary				
Class	Prev.	Close	Chg.	Vol.
Advanced	217	217	0	100
Declined	217	217	0	100
Unchanged	217	217	0	100
High	217	217	0	100
Low	217	217	0	100

AMEX Stock Index				
High	Low	Close	Chg.	Vol.
217.00	217.00	217.00	0.00	100
217.00	217.00	217.00	0.00	100
217.00	217.00	217.00	0.00	100
217.00	217.00	217.00	0.00	100
217.00	217.00	217.00	0.00	100

12 Month High Low Stock				
Div.	Yld.	PE	High	Low
1.00	10.00	10.00	100.00	100.00
1.00	10.00	10.00	100.00	100.00
1.00	10.00	10.00	100.00	100.00
1.00	10.00	10.00	100.00	100.00
1.00	10.00	10.00	100.00	100.00

12 Month High Low Stock				
Div.	Yld.	PE	High	Low
1.00	10.00	10.00	100.00	100.00
1.00	10.00	10.00	100.00	100.00
1.00	10.00	10.00	100.00	100.00
1.00	10.00	10.00	100.00	100.00
1.00	10.00	10.00	100.00	100.00

12 Month High Low Stock				
Div.	Yld.	PE	High	Low
1.00	10.00	10.00	100.00	100.00
1.00	10.00	10.00	100.00	100.00
1.00	10.00	10.00	100.00	100.00
1.00	10.00	10.00	100.00	100.00
1.00	10.00	10.00	100.00	100.00

12 Month High Low Stock				
Div.	Yld.	PE	High	Low
1.00	10.00	10.00	100.00	100.00
1.00	10.00	10.00	100.00	100.00
1.00	10.00	10.00	100.00	100.00
1.00	10.00	10.00	100.00	100.00
1.00	10.00	10.00	100.00	100.00

# Dow Breaks Winning Streak

**NEW YORK** — Prices on the New York Stock Exchange fell sharply Thursday in active trading, as profit-taking halted the price advance from the past two weeks.

The Dow Jones industrial average, which rose 32.99 points Wednesday, fell 50.07 points, or 2.54 percent, to 1,924.40. The Dow shed about 20 points in the final hour.

Declining issues outpaced advancing shares, 3 to 2, while volume was largely steady at 191.78 million shares, compared with 193.82 million on Wednesday.

Broader market indexes also declined. The NYSE composite index fell 232 points to 136.02. Standard & Poor's 500-stock index dropped 5.10 points to 242.98, while the price of an average share lost 52 cents.

Analysts were not alarmed or surprised by the decline, noting that the Dow had advanced more than 200 points since Dec. 4, and was ready for a pullback.

"The pause today is certainly well deserved," said Chester Pado, director of technical research at Jefferies & Co. in Los Angeles. "It is certainly no indication of any great weakness. In fact, the market is closer to being flat than anything else" when one considers the advance decline ratio.

"Internally, the market is acting very well," Mr. Pado said. "Much of the tax law selling appears to be out of the way. The drop in oil prices put the brakes on a great fear of inflation. And it is one of the reasons we could advance this week even though the dollar continued to slide."

Mr. Pado said it was "normal to pause in an uptrend." And it was important to remember that the market had advanced "to a clear cut resistance area around 1,980. It is a barrier. But once you close above it, you will see people that are still short-term bearish turn bullish."

Despite the weakness, traders expressed confidence that the market's year-end rally remained intact.

"The market is exhibiting some promising behavior," said Eugene Peroni Jr., chief technical analyst at Janney Montgomery Scott Inc. in Philadelphia. "This is very good activity marked by some brief windows of correction."

Traders said the uncertainty surrounding Friday's "triple witching hour," when stock-index futures, options on the indexes and options on the underlying stocks will expire simultaneously, may have led arbitrageurs to liquidate in advance their positions in the three kinds of securities.

"Most of the future-related unwinding has already occurred," Mr. Peroni said, adding that the scheduled expirations would not create undue volatility and the market "should continue its upward bias over the next six to eight weeks."

Mr. Peroni also said the market had gained momentum from the fall in oil prices tied to the belief that OPEC would not be able to curb excess production.

Storage Technology was the most active NYSE-listed issue, up 1/4 to 1 1/4. Texaco followed, up 1/4 to 35 1/2, with IBM third, down 3/4 to 115 1/4.

Among other blue chips, General Electric was down 1 1/4 to 45, Kodak was off 1/4 to 49 1/4 and Merck was down 3/4 to 157 1/4.



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Currency R

Interest I

Deposits

Interest Rates



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FRIDAY, DECEMBER 18, 1987

WALL STREET WATCH

Instability of Dollar Helps Funds That Invest Abroad

By VARTANIG G. VARTAN

NEW YORK — The weakness of the dollar against major world currencies has played havoc lately with the stock market. But this same dollar instability has helped to turn mutual funds that invest mainly in bonds of foreign governments into star performers this year.

These global funds, known as world income funds, produced an average total return of 16.31 percent through Dec. 10, according to Lipper Annual Reviews. Their total return consists of market price changes plus interest reinvested, along with gains or losses from the value of the currency.

This enviable record compares with a loss of 3.82 percent for the average equity mutual fund and a loss of 1.14 percent for the Standard & Poor's 500-stock index in the same period.

"This has been a year when you pretty much wanted to be out of U.S. dollars and out of equities," said Edward A. Taber 3d, chairman of the investment advisory committee of the T. Rowe Price International Bond Fund. "That means that foreign bonds, as an asset class, have been the place to be."

With a return of 22.14 percent, the T. Rowe Price fund holds top ranking this year among world income funds. However, these funds are relative newcomers. Mr. Taber's fund began operations in September 1986. A year later, it had \$197 million in net assets, a figure that has since swelled to \$351 million.

British, West German and Dutch government bonds are among the current favorites of global money managers, although some managers have cut back their holdings recently in response to a rise in interest rates on the Continent.

Yields on world income funds range, by and large, from 6 percent to 8 percent. Australian government bonds yield about 13 percent, but these are regarded as far riskier than bonds of the "hard currency" bloc in Europe.

FOR 1987, the second best performer among global funds has been the bond portfolio of the Massachusetts Financial International Trust, with a return of 20.18 percent. Its net assets total \$170 million. Until last year it was the only mutual fund offered in the United States that served as a vehicle for investing in foreign debt securities.

Timing is critical in successful investment for mutual funds. Last year, for example, international funds that invest in foreign stocks produced an average return of 53.25 percent. This constituted the best record for any fund category and primarily reflected the dollar's weakness. The Standard & Poor 500 showed a return of 18.67 percent in 1986.

Reflecting the United States' huge imbalance with its trading partners, the dollar has continued to be weak this year. However, international equity funds are ahead by only 7.52 percent. And the T. Rowe Price International Stock Fund, after its stellar return of 61.29 percent last year, shows a negative return of a little less than 1 percent so far in 1987. What spoiled the performance of many international equity funds is that declines in foreign stocks this fall were so extreme that they offset the favorable effects of any currency gains.

The dollar has fallen to its lowest level since the 1940s since the government reported last week that the trade deficit for October rose to a record \$17.63 billion. Some managers of foreign bond portfolios expect the dollar to continue its retreat.

"We see the prospect of the dollar declining 8 percent against a basket of foreign currencies over the next 12 months," Mr. Watt said in London. In Baltimore, Mr. Taber predicted an even larger decline in the dollar's value — on the order of 10 percent to 15 percent — during the coming year.

BP Buys 10% More In Britoil

Purchase Raises Stake to 24.9%

Compiled by Our Staff From Dispatches  
LONDON — British Petroleum Co. went on a 30-minute raid Thursday for shares in Britoil PLC and ended by boosting its stake in the smaller company to 24.9 percent at a cost of £226.8 million (\$408.2 million), or 450 pence a share.

BP also has asked clarification from the Treasury over the government's so-called golden share in Britoil, sources close to BP said. The golden share gives the government a veto over any takeover bid for Britoil.

The moves appeared to heat up what many analysts believe will turn into a full-scale takeover battle for Britoil, which controls 7 percent of Britain's North Sea output.

Last week BP, the world's third biggest oil company, said it had amassed a 14.9 percent stake in Britoil and would seek to acquire 29.9 percent of the company for around 300 pence a share. That stake is the most that BP could acquire under British law without launching a formal takeover offer.

Three days later, Britoil enlisted the American-based oil giant Atlantic Richfield Co. as a "white knight" to head off BP. Arco acquired 7.7 percent of Britoil and said it would seek up to 49.9 percent by swapping assets for equity.

As a result, BP's 300 pence-a-share offer lapsed on Wednesday, and analysts had predicted the big oil company would make another try.

Brokers said that about 138 million Britoil shares changed hands during the day. Britoil's share rose to a high of 452 pence but later eased to around 420 pence on the London Stock Exchange, still up 12 pence for the day.

A Treasury spokesman declined to comment on BP's approach on the golden share.

Arco has said repeatedly that it would consider mounting a full bid for Britoil if BP attempts to take over all of Britoil. (AP, Reuters)

As Winter Nears, Broker Eats Broker

Pain Is Numbing, But Industry's Pricing Is Intact

By Alison Leigh Cowan

New York Times Service

NEW YORK — Despite the trauma accompanying mergers and mass layoffs on Wall Street, retrenchment is not a new phenomenon in the brokerage industry, which typically shrinks when the market hits hard times.

In fact, Wall Street is probably far better prepared now than it was the last time the industry underwent a major consolidation in the early 1970s. Firms have a much broader portfolio of products to peddle and therefore are less vulnerable to downturns in any one market.

Greater interdependence of global markets has increased the customer base and the amount of capital that can pour into the system. And the outlook for corporate earnings is quite bullish.

"I don't think business on Wall Street has come to a screeching halt," said Samuel L. Hayes 3d, a professor at Harvard Business School. "Business continues to go on. Firms have 6,500 employees working 12-hour days, and that hasn't slackened off."

The most recent companies to go out of business or to be sold were victims of the stock market collapse in October. But the consolidation that has eliminated firms and created giants began in earnest long before the October plunge.

Some trace it to Donaldson, Lufkin & Jenrette's decision in 1970 to go public, which has been imitated by nearly every other private partnership on the street. The switch made even the most pristine firms vulnerable to takeovers if their earnings faltered.

Washington did its part in forcing major change on Wall Street. It opened brokerage commissions to competition in May 1975, and in 1983 it approved "shelf registrations," which cut the time and paperwork required to bring a security to market. The new rules forever altered the business.

No longer would a firm get a chunk of business, or its asking price, simply because of long-



The New York Times

standing loyalty or an exclusive slant on a customer's needs.

October's stock market jolt claimed some big names. E.F. Hutton Group Inc. agreed to be purchased by Shearson Lehman Brothers Inc., itself a unit of American Express Co. L.F. Rothschild & Co. put itself up for sale, though it is unclear whether a buyer will surface.

Specialist firms on the major exchanges also went up for grabs. But if the experience is anything new, that does not ease the pain for many. Several thousand professionals have already lost their jobs and there are no signs that the pink slips are letting up.

Yet the concentration of power has had minimal effect so far on the industry's pricing and competitive dynamics.

Major Wall Street firms believe customers will not be hurt by the consolidation because competitive pressures have never been keener. "There's enough of a market out there that if one or two people disappear or five or 10 people disappear, it won't affect people at all," said James E. Cayne, co-president of Bear, Stearns & Co.

Joel R. Meszok, a municipal finance specialist at Drexel Burnham Lambert Inc., pointed out that competition had not eased yet and that "the street is See CONSOLIDATE, Page 13

Barker Makes Surprise Bid For Dee Corp.

By Warren Getler

International Herald Tribune

LONDON — Barker & Dobson PLC, a food and retail group, made a surprise £2.04 billion (\$3.7 billion) bid Thursday for Dee Corp., Britain's third largest supermarket chain, but the offer was rejected as "wholly inadequate."

The bid was a surprise in part because of its heavy leveraging and in part because Barker & Dobson is much smaller than Dee in terms of revenue. The offer was for £1.25 billion in cash and about £790 million in shares.

In addition to its Gateway grocery stores, Dee owns the Herman's Sporting Goods stores in the United States and a British wholesale chain, Linford. The company reported pre-tax profit for the year ended April 30 of £187.1 million on revenue of £4.84 billion.

By comparison, Barker had pre-tax profit of £4.15 million in 1986 on revenue of £127 million. It has predicted that profit for the current year will climb to around £13 million.

Barker said it was borrowing the full amount of the cash element in the bid from a syndicate of banks. The cash element is believed to be among the largest in recent British takeover history.

The bid values each Dee ordinary share at 230 pence. Dee's share price jumped 68 pence, or 38 percent, to 244 pence after the announcement, then slipped to end at 230, up 54 for the day.

Barker shares lost 12 pence to close at 153.

Analysts said that Barker would need to sweeten the offer, but noted that the company had succeeded in the past in obtaining enough funds to acquire target companies. In July 1986, Barker bought another supermarket chain, Budgen, for about £80 million.

"The bid is too low to succeed at first shot, but a marginally higher offer would warrant close examination," said Paul Smiddy, an analyst with Wood Mackenzie Ltd. "This would give Dee shareholders most of their investment back in cash, and cash has become a more valued commodity in recent weeks."

Under the terms of the bid, Dee

shareholders would receive 11 new Barker shares plus £28.07 in cash for every 20 Dee shares held.

Barker said it owned 4.6 million Dee shares, or 0.5 percent of the group. The stake, analysts said, appeared to have been acquired on the open market in recent weeks.

"We will bring new life to Dee. We intend to focus on the food retailing activities and sell the other parts of the business," said Barker's chairman, John Fletcher.

Mr. Smiddy said Mr. Fletcher "is a proven manager of stores, while some investors with a short-term outlook have begun to lose patience with Dee's lack of earnings growth."

Dee urged shareholders to take no action. Associated British Foods PLC holds a 15.28 percent stake in Dee.

VW, Reporting Record, Predicts Decline in Sales

Reuters

WOLFSBURG, West Germany — Volkswagen AG, reporting record sales at home and in Europe in 1987 but lower deliveries to North and South America, said Thursday it was confident about 1988.

However, it predicted a drop in global demand for cars after five years of steady growth of the automobile industry. A VW statement said, "We can no longer expect further growth but a small 'technical' fall in demand."

According to preliminary data, domestic sales are expected to reach 900,000 this year for the first time, up 5 percent from 1986. Other European sales are seen at a record 1.05 million units, up 10 percent.

Total world deliveries are expected to be only slightly below the 1986 level of 2.76 million cars.

VW led European makers for the third year in a row with a market share of 15 percent.

U.S. GNP Growth Is Put At 4.3% in 3d Period

The Associated Press

WASHINGTON — The U.S. economy grew at a robust 4.3 percent annual rate over the summer, as higher than expected consumer spending helped offset a deteriorating trade performance, the government reported Thursday in revised figures.

The Commerce Department's latest look at the gross national product showed that the economy was expanding at an even faster pace immediately before the October stock market collapse than had first been thought.

A month ago, the department had put GNP growth from July through September at an annual rate of 4.1 percent.

GNP is the total value of a nation's goods and services. Many economists had expected that figure to be revised downward because of a belief that the U.S. trade deficit was worse than had been estimated.

The Commerce Department did revise the trade gap to show it worsening at a faster rate, but that was offset by bigger government outlays and a faster pace of consumer spending, as cut-rate financing helped stimulate car sales.

Inflation, as measured by the GNP, moderated in the third quarter, reflecting slower increases for petroleum and food. Prices were rising at an annual rate of 3.4 percent, compared with a 4.1 percent rate in the second quarter.

The 4.3 percent growth rate was the fastest since a 4.4 percent increase in the first quarter. The economy expanded in the April-June quarter at a 2.5 percent rate.



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Currency Rates

Cross Rates	Dec. 17	Dec. 17	Dec. 17	Dec. 17	Dec. 17	Dec. 17	Dec. 17	Dec. 17	Dec. 17
American	1.285	1.285	1.285	1.285	1.285	1.285	1.285	1.285	1.285
British	1.637	1.637	1.637	1.637	1.637	1.637	1.637	1.637	1.637
French	6.545	6.545	6.545	6.545	6.545	6.545	6.545	6.545	6.545
German	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936
Italian	1.366	1.366	1.366	1.366	1.366	1.366	1.366	1.366	1.366
Japanese	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0
Swiss	1.483	1.483	1.483	1.483	1.483	1.483	1.483	1.483	1.483
Spanish	166.3	166.3	166.3	166.3	166.3	166.3	166.3	166.3	166.3
Thai	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4
West German	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936
Yen	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0
Yuan	8.275	8.275	8.275	8.275	8.275	8.275	8.275	8.275	8.275
Other Dollar Values									
Australian	1.517	1.517	1.517	1.517	1.517	1.517	1.517	1.517	1.517
Belgian	36.363	36.363	36.363	36.363	36.363	36.363	36.363	36.363	36.363
Canadian	1.315	1.315	1.315	1.315	1.315	1.315	1.315	1.315	1.315
Chinese	8.275	8.275	8.275	8.275	8.275	8.275	8.275	8.275	8.275
Danish	6.460	6.460	6.460	6.460	6.460	6.460	6.460	6.460	6.460
French	6.545	6.545	6.545	6.545	6.545	6.545	6.545	6.545	6.545
German	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936
Italian	1.366	1.366	1.366	1.366	1.366	1.366	1.366	1.366	1.366
Japanese	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0
Swiss	1.483	1.483	1.483	1.483	1.483	1.483	1.483	1.483	1.483
Spanish	166.3	166.3	166.3	166.3	166.3	166.3	166.3	166.3	166.3
Thai	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4	50.4
West German	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936
Yen	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0	161.0
Yuan	8.275	8.275	8.275	8.275	8.275	8.275	8.275	8.275	8.275

Source: Reuters, Bank of Tokyo, Commercial Credit, London.

Forward Rates

Currency	30-day	60-day	90-day	180-day	360-day
American	1.285	1.285	1.285	1.285	1.285
British	1.637	1.637	1.637	1.637	1.637
French	6.545	6.545	6.545	6.545	6.545
German	1.936	1.936	1.936	1.936	1.936
Italian	1.366	1.366	1.366	1.366	1.366
Japanese	161.0	161.0	161.0	161.0	161.0
Swiss	1.483	1.483	1.483	1.483	1.483
Spanish	166.3	166.3	166.3	166.3	166.3
Thai	50.4	50.4	50.4	50.4	50.4
West German	1.936	1.936	1.936	1.936	1.936
Yen	161.0	161.0	161.0	161.0	161.0
Yuan	8.275	8.275	8.275	8.275	8.275

Source: Reuters, Bank of Tokyo, Commercial Credit, London.

Interest Rates

Barometer	Dec. 17	Dec. 17	Dec. 17	Dec. 17	Dec. 17	Dec. 17	Dec. 17	Dec. 17	Dec. 17
1-month	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
3-month	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
6-month	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
1-year	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
2-year	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
3-year	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
4-year	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
5-year	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
10-year	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
20-year	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
30-year	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%

Source: Reuters, Bank of Tokyo, Commercial Credit, London.

Key Money Rates

Currency	30-day	60-day	90-day
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12 Months		Stock	Div.	Yld	PE	Stk.		Close	
High	Low					100s	High	Low	Quot

94	34	PHE	ptA	4.80	9.0	200	42	42	—	1/2
94	36	PHE	ptC	3.40	11.0	100	38 1/2	38 1/2	—	1/2
94	39	PHE	ptD	4.48	10.6	400	44	44	—	1/2
94	39	PHE	ptE	8.75	10.7	170	75	75	—	1/2
94	86	PHE	ptS	9.30	10.6	100	89 1/2	89 1/2	—	1/2
94	86	PHE	ptR	1.41	11.5	18	124	124	—	1/2
94	65	PHE	ptH	1.28	11.4	97	69	69	—	1/2
94	65	PHE	ptI	7.85	11.4	91	71 1/2	71 1/2	—	1/2
110	79	PHE	ptM	5.25	13.5	300	112 1/2	112 1/2	—	1/2
64	60	PHE	ptK	9.50	11.7	600	81	81	—	1/2
64	60	PHE	ptJ	7.80	11.8	1500	66 1/2	66 1/2	—	1/2
64	60	PHE	ptJ	7.25	11.7	100	66 1/2	66 1/2	—	1/2

[illegible]

2%	14%	Yorkin	9	49	22%	22%	22%	— 2
Z								
7%	2%	Zapora			2713	2%	2%	2%
7	13%	Zavre	40	2.6	43	14%	15%	15%
3%	9%	Zempe	40	4.2	8	177	9%	9%
3%	18	ZemthE			1980	15%	14%	15
3%	2%	ZenLoh			3	2%	2%	2%
3%	13%	ZenLeh	40	5.3	7	315	14%	14%
3%	17%	Zera	46	2.6	14	247	14%	15
3%	15	Zurnins	36	3.8	15	282	14%	17%

	1995	1996	1997	1998	1999
200	%	%	%	69%	
250	%	%	%	71	
300	%	%	%		
350	%	%	%		
400	%	%	%		
450	%	%	%		
500	%	%	%		

Cable total volume: \$22.71; total open int. \$8,582  
 Profit: total volume: \$1,133; total open int. \$48,368

S&P 500 Index:  
 High 241.54 Low 236.22 close 241.95 +5.26

Source: AP.

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**TO KEEP**

**CROSSWORD**  
 IT EVERY SATURDAY.  
 IT NEW YORK TIMES  
 CROSSWORD — ENOUGH  
 YOU BUSY ALL WEEK

1-15	12-30
1-15	12-31
1-15	12-28
3-14	2-19
1-22	1-8

Indigo is not a natural color.



## BUSINESS ROUNDUP

### Grand Met Pretax Profit Climbs 24%

**LONDON** — Grand Metropolitan PLC said Thursday that pretax profit rose 24 percent to \$496.1 million (835 million) in the year ended Sept. 30, from \$367.7 million the previous year, and cited improved results from its drinks business.

Sales rose 8 percent to \$5.71 billion from \$5.29 billion.

The company also expressed confidence in its prospects for the current year. "Grand Metropolitan's businesses are robust against the immediate economic outlook, and commercially are well placed in all markets," it said.

The company's shares rose 14 pence to 424 pence on the London Stock Exchange when the results, at the higher end of analysts' forecasts, were announced. They rose further to close at 427 pence.

The company reported that profit after tax rose 22 percent to \$336 million from \$275.9 million, boosted by an extraordinary credit from the sales of unwanted businesses.

The credit totaled \$127.8 million after the previous year's extraordinary debit of \$11.7 million.

Sales included the Liggett Group Inc. cigarette business in the United States, and Contract Services Ltd., Diversified Products Corp., Quality Care Inc. and Children's World Ltd.

It said that important acquisitions included Heublein Inc., a U.S. wine and spirits group, and Almaden Vineyards Inc., a California wine producer. It also bought two British drinks companies, Saco

### RTZ Wins M.K. Electric As Legrand Withdraws

**LONDON** — RTZ Corp., the British mining giant, won a takeover battle for M.K. Electric Group PLC on Thursday when Legrand SA of France withdrew its competing bid.

On Wednesday, M.K. Electric accepted a \$262.8 million (\$480 million) merger offer from RTZ that had been sweetened after Legrand bid \$255 million for the company. Legrand decided Thursday against raising its own offer.

### BA Holds 8.3% Of Caledonian

**LONDON** — Scottish Provident Institution, a British investment firm, said Thursday that it had sold 1.9 percent of British Caledonian Group PLC to the merchant bankers acting for British Airways PLC, a move that would bring BA's stake to 8.3 percent.

BA has offered £200 million (\$366 million) for the rival airline.

Meanwhile, Britain's High Court ruled on Thursday that the private National Consumer Council could mount a legal challenge to the government's approval of the BA bid.

### OPEC: Economic Hardship and Political Divisions Cut Deeply Into Cartel's Cohesion

(Continued from Page 1)

duce its quota of 4.3 million barrels and sell it, come what may. If others continue to discount prices to sell oil in a soft market, the Saudis are expected to weigh in with their own discounts in January, sending shock waves through world oil markets.

The Saudis have lived up to the spirit and letter of last year's OPEC accord, even as their closest allies — Kuwait, the United Arab Emirates and above all Iraq — exceeded their quotas by huge margins.

Iraq's daily output has zoomed from nearly 1 million barrels in 1983 to 2.8 million barrels — far above the 1.5 million barrel-a-day quota it was assigned in December 1986. At the latest meeting, Iraq refused to accept any quota.

The United Arab Emirates are pumping twice their quota of 900,000 barrels a day. Others are cheating to make ends meet, too.

Amid such violations, countries such as Venezuela, Nigeria and Indonesia, which generally have adhered to production quotas, feel that the time for sacrifice is past.

OPEC recognizes that dividing up what has become a relatively small share of the world oil market among its members is an impossible exercise. The group has seen its collective share shrink from 66 percent in 1979 to less than 30 percent today.

Given those circumstances, many in the cartel say that non-OPEC oil producers such as Britain, Norway, the United States and the Soviet Union should do their

share by cutting output to support prices.

"The house will fall on their heads, too," warned Rihwan Lukman, the Nigerian oil minister and OPEC's president.

The health of the global economy is another concern for OPEC. Many experts fear that the October stock market collapse will slow economic growth in the industrialized world, reducing demand for oil.

Another factor is the dollar. With oil transactions denominated in the U.S. currency, the dollar's nosedive has cut deeply into the purchasing power of OPEC members.

Those developments follow a steady fall in OPEC members' incomes since 1981, when oil prices

began to slide from a high of about \$35 a barrel.

Even rich OPEC members have been severely affected. Some analysts estimate that the income of wealthy Arab oil producers — including Saudi Arabia, Kuwait, the United Arab Emirates and Qatar — fell to less than \$45 billion in 1986, from more than \$160 billion in 1982.

This plunge has already translated into layoffs and business failures, suspensions of pay for government employees and delays in payments to foreign contractors.

For Saudi Arabia, it means providing less foreign aid — a vital tool of the kingdom's foreign policy. Saudi Arabia already has extended about \$40 billion in grants and loans to support Iraq in its war

with Iran. Failure to continue that aid would increase the likelihood of an Iranian victory.

For the poor, such as Nigeria and its 100 million people, the drop in oil income helped trigger a government coup in September 1985, as well as economic misery and cutbacks in crucial development plans.

The economic pressures have limited OPEC's ability to meet Iraq's demands for a larger production quota. Delegates of countries that are not involved in the Gulf war — including Venezuela, Nigeria, Gabon, Ecuador and Indonesia — cannot continually return home from OPEC meetings to inform constituents that they have to cut oil production one more time to accommodate Iraq or Iran.

### CONSOLIDATE: As Broker Eats Broker, Wall Street's Dynamic Seems to Be Intact

(Continued from first finance page)

still killing itself trying to supply capital."

He cited four municipal borrowers that come to market frequently: the states of Missouri and Hawaii, the Los Angeles Department of Water and Power and the Port Authority of New York and New Jersey. In each recent case, there were at least as many underwriters submitting bids as in past deals.

Many people believe consolidation purges only weaker firms from the system and, enables stronger ones to enjoy economies of scale and wider spreads. "Maybe what comes out of this is a healthier environment," said John F. Perkowski, head of investment banking at PaineWebber.

Perin Long, an analyst at Lipper Analytical Services, argued that concentration has worked well in other industries by stabilizing competition.

"For the average person, I don't think there's any reason for them to be concerned about it," he said.

The average person is not concerned that we only have three major automobile companies in this country, three cereal companies, three major movie companies and three major television networks."

Lowell Bryan, a McKinsey & Co. consultant who specializes in financial firms, is not concerned as long as a standardized test and a modest amount of capital constitute the only entry barriers into the profession. That way, he said, foreign firms and commercial banks can easily replace some of the institutions that are sold or go out of business.

Bar Jeffrey M. Schaefer, a rebarb with the Securities Industry Association, warns that the proliferation of startups is deceptive. "What you lose in looking at numbers is the disappearance of a few very large firms like a White Wolf or Lehman or A.G. Becker," he said.

Indeed, while the number of firms registered with the National Association of Securities Dealers more than doubled between 1977 and 1986, the number of New York Stock Exchange firms doing a public business, which tends to be larger, has essentially been flat.

As the consolidations continue, corporate clients are probably in better shape than municipal issuers. But already the level of service has begun to deteriorate, and expressions of alarm from small businesses are growing louder.

"I think there is a real capital formation crisis on the horizon, particularly for smaller business," said Brian Carry, executive director of the Massachusetts Industrial Finance Agency, which issues bonds for pools of small and midsize companies.

"Financings arranged with ease two months ago are now almost impossible to line up," he said. The market collapse prompted bondholders to insist on dealing with only the best-capitalized borrowers, and underwriters are doing less prospecting for new business.

Even larger clients can detect "Less than a dozen would begin to give us concern," he said. "But I guess the percentage accounted for by any one of them is of more concern than how many there are in total."

Both the New York and American exchanges monitor the market for signs of trouble.

Corporate clients are probably in better shape than municipal issuers. But already the level of service has begun to deteriorate, and expressions of alarm from small businesses are growing louder.

fine changes in the price and the level of service they receive. Some firms are charging more for bridge loans, which take acquirers over until they can raise capital in the public markets. And institutional investors are paying more for trades in which firms must use their own capital to facilitate the transaction.

Customers might also see a decline in innovation, although it will be less perceptible than higher prices. Regulators may outlaw some cutting-edge products such as derivative securities, whose applications are still being discovered. But the firms may quash innovative efforts themselves if, in their haste to improve worker productivity, they prune the people who come up with new ideas.

One corner of Wall Street in which consolidation raises unsettling questions is the floors of the major stock exchanges and over-the-counter trading. Although they are almost invisible to the trading public, the specialists on the exchanges and at the numerous firms that make markets by buying and selling particular securities have a profound influence on whether the market operates smoothly.

Events in October made it painfully clear that the specialists and market makers can be overwhelmed by surges in trading volume. Some of the marriages and the collapse brought better capitalized firms to the exchanges, and the prospect of more mergers is welcomed by many.

Kenneth R. Leibler, president of the American Stock Exchange, said he would not be surprised if the number of specialists firms on his floor dropped to 12 from 24 over the next couple of years as the need for capital grows.

Small investors are not happy about the trend toward ever larger retail firms. They are not thrilled about receiving the same recommendation as thousands of other clients, and they say that firms focus on ever richer investors.

David Fleming, a securities lawyer in New York who typically has \$50,000 to \$100,000 in the stock market at any time, said he felt like a number when he was a client at Merrill Lynch. "The broker who had initially solicited me left, and in the interim they assigned me to a client services department and a phone number, so I didn't even have a broker," he said.

He still has an active account at Shearson, but he prefers dealing with a smaller boutique. "When special opportunities come up, there are fewer people to call and you're higher on the list," he said.

Steven Rosen, a dentist in Queens, New York, opened accounts at several large wire houses when he was younger. But he grew tired of not knowing whom he was dealing with and not being able to reach the boss.

"The little guys are always lost in the shuffle," he said. "Who owns Merrill Lynch? You can't call Mr. Merrill and complain or get some advice. You can't call Merrill or Lynch or Hutton or Shearson."

The undersigned announces that as from 18th December, 1987, at K&S Associates N.V., Suisdam 175, Amsterdam, Div. no. 59 of the CDRO Ingersoll-Rand Company, each repr. 5 shares will be payable with Dfls. 2.06 net (div. per record-date 20.11.1987; gross \$0.26 net) after deduction of 15% Japanese tax = \$0.20 = Dfls. 0.37 per CDRO Div. belonging to non-residents of the Netherlands will be paid after deduction of an additional 15% USA-tax (\$0.20 = Dfls. 0.37) with Dfls. 1.69 net.

AMSTERDAM DEPOSITORY COMPANY N.V. Amsterdam, 11th December, 1987.

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**BANQUE NATIONALE DE PARIS**  
Floating rate note issue of  
U.S.\$ 225 million June 1981/96  
The rate of interest applicable for the period beginning  
December 15, 1987 and set by the reference agent is 8% annually.

**GLAXO HOLDINGS p.l.c.**  
has acquired certain assets of  
**BIOMON S.A., Geneva**  
The undersigned initiated this transaction  
and acted for Glaxo Holdings p.l.c.  
**JB&B**  
**BANK JULIUS BAER**  
8010 Zurich, Bahnhofstrasse 34, Phone: (01) 228.51.11  
London EC3A 7NE, Bank of America Building, Phone: 01-623.42.11  
New York, NY 10077, 330 Madison Avenue, Phone: (212) 949.9044

**The Royal Bank of Scotland Group plc**  
**STROPER PERFORMANCE SIGNIFICANT PROGRESS**  
Record profits from benefits of merger and group expansion  
Sir Michael Herries, Chairman  
The Royal Bank of Scotland Group plc  
The year ended 30th September 1987 has been one of significant progress with record profits of £197.2 million before taxation, despite having made additional exceptional provisions of £77 million in respect of loans to rescheduling countries. It is also gratifying that the Group can absorb a provision of this level without jeopardising its strong capital ratios.  
This continuing strong operating performance is the result of, first, tangible benefits from the merger, in 1985, of the Group's two former clearing banks resulting in a reduction in overhead costs. The merged Royal Bank of Scotland is now firmly established throughout Great Britain. Secondly, our new Group structure has allowed us to deploy our resources more effectively, permitting us to identify the services required by our customers and to provide an effective means of cross-selling those services throughout the Group.  
Major developments in the year include the agreement to purchase A T Mays Group, the fifth largest travel agency group in the UK which will provide a further 230 retail outlets, some 70 of which are in areas where we are not currently represented.  
Group results The Royal Bank of Scotland performed strongly with profits before exceptional provisions increasing by 67 per cent. While the Charterhouse group continued to do well and contributed significantly in an exciting year, RoyScot Finance Group profits showed an improvement despite narrowing margins on leasing operations and the costs of creating a new division. Capital House Investment Management underwent a year of consolidation and reorganisation while Royal Bank of Scotland Group Insurance Company registered a three-fold increase in premium income. Both of these latter companies are placed favourably for the future.  
Looking ahead The well-balanced structure has provided for both strength and flexibility in times of rapid change in financial markets. The Group's performance during the last year has demonstrated these qualities and provided a sound foundation for the future. After a year of such strong performance we are confident that we shall continue to make satisfactory progress.

KEY FIGURES	Year ended 30th Sept 1987	Year ended 30th Sept 1986	Change
Profit before taxation			
before exceptional item	£274.2m	£184.5m	+49%
after exceptional item	£184.5m	£184.5m	+7%
Total assets	£19,119m	£16,597m	+15%
Dividends per 25p ordinary share	12.7p	10.8p	+17.6%

Copies of the 1987 Annual Report and Accounts may be obtained from the Secretary, The Royal Bank of Scotland Group plc, 36 St Andrew Square, Edinburgh EH2 2YL.

**Mountain Climbing**  
In late October Indigo assembled and published an index of low-priced technology bargains which we said would defy cynics who thought that Indigo Technology, has already doubled. Applied Materials is up 50 percent; and we'll be covering the rest in reports we'll be pleased to send you with our compliments if you'll write, phone or telex.  
Indigo is not a licensed broker.  
Indigo  
3000 Palms Dr. Malibu, CA 90265, Malibu, California, USA  
Telephone 310-323-8988 - Telex 79423.



Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.  
*Via The Associated Press*

[illegible][illegible][illegible][illegible]

The image shows a close-up, slightly angled view of a newspaper page. The most prominent feature is a large, bold, sans-serif font headline that reads "OTC". Directly beneath this headline, the word "Prices" is printed in a smaller, regular-weight sans-serif font. Above the "OTC" headline, the words "Thursday" and "Friday" are visible in a smaller font, suggesting the article is about weekend trading. The page is filled with columns of text, but they are mostly illegible due to the high contrast and shadows. In the upper right corner, there is a small, dark rectangular box containing some text, which is also mostly illegible. The overall lighting is dramatic, with deep shadows on the left and right sides of the page, highlighting the central text area.

**INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) Dec. 17, 1987**

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (i) - irregularly.

[illegible][illegible]

1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981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Be sure that your fund is listed in this space daily. Telex Matthew GREENE at 013395 for further information.

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# CURRENCY MARKETS

## Dollar Falls Again in Europe, N.Y.

**NEW YORK** — The dollar closed at new postwar lows against the Deutsche mark and the yen Thursday in New York as gloomy remarks by a former White House economist dominated the trading.

Martin S. Feldstein, a Harvard professor and former chairman of President Ronald Reagan's Council of Economic Advisors, said the only way to correct the massive U.S. current account deficit was for the dollar to decline to 100 yen or less over the next three or four years.

The dollar fell in late trading to 161.55 Deutsche marks and 125.80 yen in New York. It ended shortly afterward at 1.6175 DM, a record closing low that compared with 1.6285 DM Wednesday, and at 125.85 yen, down from 127.05.

The dollar also fell to 5.4745 French francs from 5.5135 and to 1.3115 Swiss francs from 1.3250. And it retreated against the British pound, which fell to 1.8400 from 1.8350.

In line with its recent pattern, the dollar was sold heavily Thursday in the Far East. It firmed somewhat later but nonetheless closed lower for the day in Europe.

In London, the dollar slipped to 1.6235 DM from 1.6300 at Wednesday's close and to 126.13 Japanese yen from 127.20. The currency also edged lower against the

**London Dollar Rates**

Currencies	Thu.	Wed.
Deutsche mark	1.6235	1.6300
Pound sterling	1.8400	1.8350
Japanese yen	125.85	127.20
Swiss franc	1.3115	1.3250
French franc	5.4745	5.5135

Source: Reuters

pound, which climbed to \$1.8360 from \$1.8320.

The dollar's plunge in Asia was triggered in part by comments Wednesday by Gerhard Stoltenberg, the West German finance minister, that the dollar's decline would benefit his nation's economy.

A dealer said Mr. Stoltenberg's remark provided "the best stimulus" for speculators who were seeking

to sell the dollar in any case. Other traders said the chief factor guiding thin pre-Christmas trading in recent days was bearishness on the U.S. currency.

In the absence of buying interest, U.S. economic data had little or no impact on the dollar. A revision showing a higher than expected 4.3 percent annual growth rate for the third-quarter gross national product failed to give the currency a lift, dealers said.

Aside from seasonal lethargy, the Reagan administration's silence on where the dollar's slide should end was weighing heavily against the U.S. currency, they added.

Dealers noted that comments Wednesday in Japan and West Germany indicated that both nations were unalarmed by the dollar's fall.

The pound was down 0.2 points to 75.6 on its trade-weighted index.

Lower oil prices have weakened the pound recently, and it was depressed further by a British government report Thursday showing that the annual growth rate in wages rose to 8 percent in October.

In earlier European trading, the dollar was fixed in Frankfurt at 1.6237 DM, down from 1.6313 DM Wednesday, and in Paris at 5.4990 French francs, down from 5.5293.

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## M-1 Rose \$3.7 Billion In U.S. for Latest Week

**NEW YORK** — The narrowest measure of the U.S. money supply, M-1, rose \$3.7 billion to a seasonally adjusted \$754.4 billion in the week ended Dec. 7, the Federal Reserve said Thursday.

The previous week's M-1 level was revised down to \$750.7 billion from \$750.9 billion, while the four-week moving average of M-1 fell to \$755.2 billion from \$756.4 billion.

The dollar's plunge in Asia was triggered in part by comments Wednesday by Gerhard Stoltenberg, the West German finance minister, that the dollar's decline would benefit his nation's economy.

A dealer said Mr. Stoltenberg's remark provided "the best stimulus" for speculators who were seeking

to sell the dollar in any case. Other traders said the chief factor guiding thin pre-Christmas trading in recent days was bearishness on the U.S. currency.

In the absence of buying interest, U.S. economic data had little or no impact on the dollar. A revision showing a higher than expected 4.3 percent annual growth rate for the third-quarter gross national product failed to give the currency a lift, dealers said.

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## NatWest Boosts Capital of U.K. Investment Unit

**LONDON** — National Westminster Bank PLC said Thursday that it was investing an additional £80 million (\$146 million) in County NatWest, its investment banking subsidiary, to cover development costs and trading losses and provisions after the collapse of world stock markets in October.

The bank said part of the problem related to County NatWest's 9.5 percent stake in Blue Arrow PLC, the British employment agency whose £837 million rights issue closed on Sept. 29 only half-subscribed.

It said the matter will be re-evaluated in its 1987 year-end accounts.

A provision of £49 million, before tax, would be needed on the basis of Blue Arrow's closing price Wednesday of 93 pence, it said.

In addition, County NatWest incurred further worldwide losses of about £20 million in the stock market slump.

The parent bank said County NatWest's market making operations in Britain were expected to remain profitable for 1987 as a whole.

The dollar's plunge in Asia was triggered in part by comments Wednesday by Gerhard Stoltenberg, the West German finance minister, that the dollar's decline would benefit his nation's economy.

A dealer said Mr. Stoltenberg's remark provided "the best stimulus" for speculators who were seeking

to sell the dollar in any case. Other traders said the chief factor guiding thin pre-Christmas trading in recent days was bearishness on the U.S. currency.

In the absence of buying interest, U.S. economic data had little or no impact on the dollar. A revision showing a higher than expected 4.3 percent annual growth rate for the third-quarter gross national product failed to give the currency a lift, dealers said.

Aside from seasonal lethargy, the Reagan administration's silence on where the dollar's slide should end was weighing heavily against the U.S. currency, they added.

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## Oil's Fall Is Said to Ease Pressure for G-7 Meeting

**TOKYO** — Japanese government officials said Thursday that the sharp fall in oil prices this week had relieved pressure on the United States to call for an early meeting of the Group of Seven and could delay a gathering for some time.

The drop, which was triggered by the failure of the Organization of Petroleum Exporting Countries to reach an effective agreement to control output, has allowed U.S. stock and bond markets to shrug off a renewed fall of the dollar this week to postwar record lows.

In the past, the markets have often dropped with the dollar on fears that the weaker currency would worsen U.S. inflation.

But the sharp drop in oil prices has helped allay inflation fears, at least for the time being, the officials said.

With stock and bond markets rallying, the United States is under no pressure to call for an early G-7 meeting to stem the drop in the dollar.

Signs that the U.S. economy remains firm despite the market turmoil has also helped ease pressure on the United States for action, the Japanese officials said.

"We shouldn't have a G-7 meeting," said a senior Tokyo official. "We should have G-2 plus OPEC."

By G-2, he meant Japan and the United States. The other G-7 members are West Germany, France, Britain, Italy and Canada.

Japanese officials said their government sees no urgent need for a meeting, either, despite the dollar's fall to a postwar low of 126 yen and 1.6190 Deutsche marks in Tokyo on Thursday.

Finance Minister Kiichi Miyazawa said Tuesday that the G-7 would reaffirm the Louvre pact on currency stability, leading to speculation that Japan had now become concerned about the dollar's fall to push for some action by the group.

However, the officials said Thursday that Japan had not changed its stance. It is willing to meet other G-7 nations if asked, but only after the United States makes cuts in its budget deficit.

The Bank of Japan also seems to be outwardly untroubled by the dollar's continued fall, although it is sporadically intervening in the foreign exchange market to smooth the drop, dealers said.

The attitude of the Tokyo authorities has been relatively relaxed because Japanese industry has not been pushing particularly hard for action.

Some officials said industry executives realized that there was little more the authorities could do to stop the dollar or to boost the economy.

Major exporters have become resigned to the yen's rise and have taken action to cope with it, including transferring production overseas, they added.

With neither Japan nor the United States showing great enthusiasm for a G-7 meeting, it will be up to Europe to take the lead, one Japanese official said.

The dollar's plunge in Asia was triggered in part by comments Wednesday by Gerhard Stoltenberg, the West German finance minister, that the dollar's decline would benefit his nation's economy.

A dealer said Mr. Stoltenberg's remark provided "the best stimulus" for speculators who were seeking

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## BOOK BRIEFS

**2061: Odyssey Three.** By Arthur C. Clarke. Del Rey, 201 East 50th Street, New York, N.Y. 10022.

Some years ago, the publisher of Del Rey-Bantam Books handed over the smallest advance payment ever for a book by a best-selling author—a \$1 check made out to Arthur C. Clarke for an unwritten work tentatively titled "2061: The Final Odyssey."

Few science fiction sagas have been as popular as the exploration of mankind's destiny that Clarke began with "2001: A Space Odyssey."

But Clarke was in no hurry. He wanted to incorporate results of NASA's Galileo mission to Jupiter into his book and refused to write it until the results were available. Hence the \$1 advance against \$1.3 million guaranteed royalties.

Unfortunately, the Challenger calamity put Project Galileo on hold until 1995 or later. Clarke fans seemed in for a long wait. Then, some months ago, Owen Locke at Del Rey Books found in his mail a complete manuscript titled "2061: Odyssey Three."

Clad as an ancient novel in Clarke's series, this book is a slim, suspenseful reversion with old friends. The protagonist, again, is Haywood Floyd, hero of the two preceding Odyssey books. Now more than a century old, but preserved by years spent in frozen sleep between planets, Floyd embarks on what begins as a leisure cruise to a comet. Naturally, his voyage is eventful.

The year 2061 is, of course, when Halley's Comet next returns to the inner solar system, where the sun's heat periodically coaxes from that cosmic ice ball yet another sliver of performance. Half of Clarke's travelogue is taken up describing what it might be like to visit, and even stand upon, a comet undergoing this fierce transformation.

"2061" is set on a more human scale than the prior Odysseys. Clarke's penchant for speculating about the ultimate destiny of humanity and all intelligent life is restrained this time—possibly because he is saving up for that promised big finale. Certainly the conclusion of "2061: Odyssey Three" hints at much grander things to come.

**THE ADAMS WOMEN: Abigail & Louisa Adams, Their Sisters and Daughters.** By Paul C. Nagel. Oxford University Press, 200 Madison Avenue, New York, N.Y. 10016.

Paul C. Nagel's "The Adams Women"

quotes a 1790 letter from Mary Smith Cranch to her sister Abigail Smith Adams, missing on the trials of their sex. "You and I have been better wives than the world will ever know," Mary writes, "or give us credit for."

Nagel does not quote the judgment of another Adams on the subject of female anonymity—Henry's in "The Education"—that the 19th-century American woman lives on only as "the man saw her," but his book is another significant correction of history's tendency to silence on the distaff side. Beginning at the beginning, with the wife of the founding Adams, John Adams' redoubtable Abigail, and her sisters Mary and Elizabeth, and ending with another daughter, Abigail "Abby" Brown Brooks, the wife of Charles Francis Adams, Nagel recaptures the thought and acts of these privileged women as they suffered and supported a great American dynasty.

The feminist apology informing Nagel's book is the more persuasive for being unobtrusive. Indeed, some readers may wish for more psychological probing behind the remarkable correspondence of these Adams women, especially the letters between the strong-willed Abigail and her domineering mother. On the whole, however, the larger meaning of their words speaks for itself. Nagel's point about the "pedestalizing" of the 19th-century female is as compellingly made as that of more didactic feminist scholars.

(David Levering Lewis, WP)

**TRUST YOUR HEART: An Autobiography.** By Judy Collins. Houghton Mifflin, 2 Park Street, Boston, Mass. 02108.

It hardly seems possible that Judy Collins—who along with Bob Dylan, Joan Baez, Arlo Guthrie, Pete Seeger, Peter, Paul & Mary, and others sang us through the '60s—is herself now almost 50. The songs she sang are well enough known: 22 albums, six of them gold, some of them classics of contemporary popular music. Now with this memoir, we have the story of the singer behind the songs.

Sollicit facts: Judy Collins learned to perform at the feet of her father, a blind singer and radio personality, a "master dreamer and gypsy." A gifted classical pianist, Collins was 15 when she fell in love with folk music. "Singing for people..." Standing up in front of the audience, looking out at them instead of just sitting behind the piano and playing, I had the sense of eyes, faces, hopes. Folk music, she found, was more than music, it supplied the missing half, the story.

At 19 she left school, married, had a son. There was divorce, a custody fight, which she lost, and a career that took off. Along the way she had polio, tuberculosis and a throat operation; she fought alcoholism and lost love. An interesting inverse relationship, in fact, appears between her career and love life. As her career prospered, her love life suffered, and her loneliness is palpable through much of this account.

Less a memoir of the times than one woman's story, "Trust Your Heart" bears a few—but only a few—markings of the celebrity autobiography, such as the torrent of names. In the space of two rather short sentences, Collins manages to squeeze in 11 names. But much of the quotidian detail of her high-flying life is undeniably fascinating.

(Carol Erwin, WP)

## BRIDGE

By Alan Truscott

An experienced team led by Dr. George Rosenkrantz of Mexico City scored a solid victory in the men's Board-A-Match team championship at the American Contract Bridge League's Fall Nationals in November, and a foursome from the Seattle area led by Shirley Edelson won the women's Board-A-Match title by a big margin.

The diagrammed deal helped the men's team winners in the first final session, in which they scored 80 percent. East was no doubt tempted to double the final contract of four spades, but the sequel showed that he was right to be cautious.

The club queen was led, and Rosenkrantz as South won with

the ace. He ruffed a club, cashed the two heart winners and ruffed a heart. East discarding a diamond. He then took a diamond finesse, cashed the diamond ace and ruffed another heart to reach this ending:

NORTH		WEST		EAST		SOUTH	
♠	AJ1085	♠	QJ43	♠	AKQ83	♠	AKQ83
♥	AKQ85	♥	QJ43	♥	AKQ85	♥	AKQ85
♦	AKQ85	♦	QJ43	♦	AKQ85	♦	AKQ85
♣	AKQ85	♣	QJ43	♣	AKQ85	♣	AKQ85

A diamond was led, and the best East could do after ruffing was to cash the spade ace and lead to dummy's king. Then the lead of the last heart scored the spade 10 on passant and gave South his contract.

East and West were vulnerable.

The bidding: East 1♣, West 1♦, East 1♥, West 2♥, East 3♥, West 4♥, East 5♥, West 6♥, East 7♥.

East Pass South Pass West Pass North Pass

West led the club queen.

West led the club queen.

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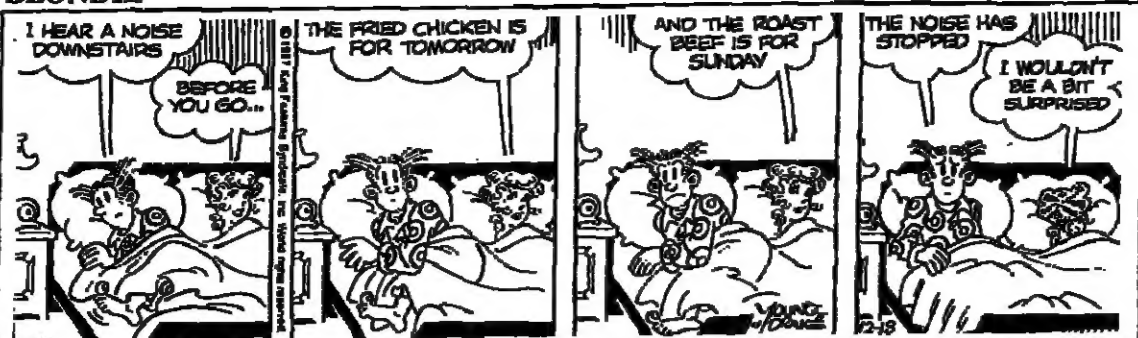
West led the club queen.

West led the club queen.

## PEANUTS



## BLONDIE



## BEETLE BAILEY



## ANDY CAPP



## WIZARD OF ID



## REX MORGAN



## GARFIELD



## World Stock Markets

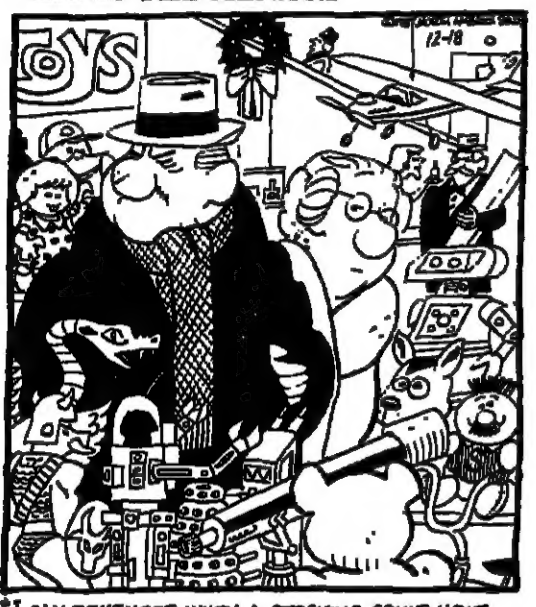
Via Agence France Presse Closing prices in local currencies, Dec. 17

Amsterdam		London		Paris		Frankfurt		Zurich		Tokyo	
Index	1,130	Index	2,514	Index	2,514	Index	2,514	Index	2,514	Index	2,514
Change	+10	Change	+10	Change	+10	Change	+10	Change	+10	Change	+10
High	1,140	High	2,524	High	2,524	High	2,524	High	2,524	High	2,524
Low	1,120	Low	2,504	Low	2,504	Low	2,504	Low	2,504	Low	2,504
Open	1,130	Open	2,514	Open	2,514	Open	2,514	Open	2,514	Open	2,514
Close	1,140	Close	2,524	Close	2,524	Close	2,524	Close	2,524	Close	2,524

Stockholm		Oslo		Copenhagen		Helsinki		Nairobi		Lagos	
Index	1,130	Index	2,514	Index	2,514	Index	2,514	Index	2,514	Index	2,514
Change	+10	Change	+10	Change	+10	Change	+10	Change	+10	Change	+10
High	1,140	High	2,524	High	2,524	High	2,524	High	2,524	High	2,524
Low	1,120	Low	2,504	Low	2,504	Low	2,504	Low	2,504	Low	2,504
Open	1,130	Open	2,514	Open	2,514	Open	2,514	Open	2,514	Open	2,514
Close	1,140	Close	2,524	Close	2,524	Close	2,524	Close	2,524	Close	2,524

Sydney		Auckland		Wellington		Christchurch		Dunedin		Invercargill	
Index	1,130	Index	2,514	Index	2,514	Index	2,514	Index	2,514	Index	2,514
Change	+10	Change	+10	Change	+10	Change	+10	Change	+10	Change	+10
High	1,140	High	2,524	High	2,524	High	2,524	High	2,524	High	2,524
Low	1,120	Low	2,504	Low	2,504	Low	2,504	Low	2,504	Low	2,504
Open	1,130	Open	2,514	Open	2,514	Open	2,514	Open	2,514	Open	2,514
Close	1,140	Close	2,524	Close	2,524	Close	2,524	Close	2,524	Close	2,524

## DENNIS THE MENACE



## JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

EXOID	GALUH	PYRSOD	NESIPP
Answer here: A	Answer here: A	Answer here: A	Answer here: A

Yesterday's Jumbles: BRAND TUNED YEARLY IMPUGN

Answer: What they called the guy who worked out in a tuxedo—A GYM DANDY

(Answers tomorrow)

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

WHAT TURTLE SOUP IS.

Answer: What they called the guy who worked out in a tuxedo—A GYM DANDY

(Answers tomorrow)

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

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JPM 10150



## 49ers' Record-Tying Rice Fifi Is All Snap 'n' Crackle Catching Passes

speed." It was either football or punishment, so that was that."

Rice quickly developed an eye for pass-catching, but it took some speeding from his father, a braylayer, to help him focus on the game. During the summers, father took son along to work, where the youngster worked behind a wheelbarrow filled with cement in the sweltering heat. "My first day out, I told myself this was not for me," said Rice.

He was ignored by the larger colleges, and he was even ignored by the school he wanted to attend, Mississippi State, just 10 miles away. His older brother, Tom, urged him to attend Mississippi State, which was the only school in the area that would accept him. Tom Rice, in the family, attended Jackson State, another predominantly black college, but was not drafted by the NFL. "Both of us talked about one day building a house for our parents," said Jerry. "I was the last hope."

Unleashed under Mississippi Valley State's passion for passing, Rice rang up scary numbers: 4,693 yards receiving, 23 games of 100 yards or more, 50 touchdowns, all Division I-AA records. Still, he went unnoticed by most pro scouts.

When the first receivers in our league who were just as good as I was," Rice said. "But we never got many scouts because it seems like pro teams still feel that the black colleges don't prepare you for the pros well enough. There are so many good players in that league and they're being overlooked."

The third wide receiver taken in the 1985 draft, Rice was the first Mississippi Valley player ever selected in the opening round. Most of his new teammates weren't surprised when he struggled as a rookie, but they recognized his talents. "He was a very good player, even though he was caught by the ball," said quarterback Joe Montana. "Something that's typically rookie," he tried running with the ball before he caught it. He's learned to be more patient."

Rice didn't have to go far to receive much of his schooling. Fred Solomon, the 49ers' longtime receiver who retired after Rice's rookie season, passed on many of his secrets. So, too, did Dwight Clark, who remains one of the team's top pass catchers. Rice's emergence as the embodiment of both has had far-ranging ramifications for Walsh, who had never possessed the deep-throwing receiver at San Francisco that would make the 49ers a perennial contender. "I almost unstopable. With Rice drawing double coverage on almost every play, fullback Roger Craig (61 catches), Clark and the 49ers' other receivers have found themselves largely open.

And Montana, whose back problems last season were thought to be career-threatening, is again the NFL's leading passer. His 260 completions, 2,947 yards and 29 touchdowns are all league-leading numbers.



San Francisco District Attorney Arlo Smith said there appeared to be no basis for a battery charge against the Chicago coach.

"It looks from the instant replay that this might be a personal foul for unsportsmanlike conduct," he said. "We will decline the penalty."

Policeman Richard Galliani said the gun "was found and booked as evidence," and that "the officer who was there told me it was a big wad of gum."

"This is not exactly a top priority," commented Sergeant Jerry Senkir, spokesman for Police Chief Frank Jordan.

member of one NHL division, with points to count in NHL standings.

Ziegler spoke of such a plan when he returned from Moscow, but Koloskov said there was more to it: four NHL teams would go to the Soviet Union to play teams there. Ziegler had mentioned only that, beginning in 1989, two NHL teams would play some exhibition matches in Moscow and Leningrad.

Koloskov also said it is absurd for NHL team owners Harold Ballard of Toronto and Ed Snider of Philadel-

phia to oppose Soviet teams playing NHL team. Ballard and Snider had reacted to the Soviet-NHL games-for-points proposal by saying they'd never allow Soviet teams to play against their teams.

"The strongest players want to play one another and Ballard won't let them," Koloskov said. "The NHL has a director's board. It probably has the right to solve this problem. It is intolerable, such an interference."

Koloskov granted the interview on the opening day of the annual Izvestia tournament, which includes Canada's Olympic team.

He said he was interested in having Soviet teams play against NHL teams because "the NHL is the only professional league where the best hockey players in the world have been assembled. In order to make progress, one must play against the best on all levels — on the level of club teams, national teams and the level of stars. This is our point of view. It is for the progress of Soviet hockey."

**Fights**  
**ball**

# Wilander-Krishnan Opens Final

*The Associated Press*

GOTEBORG, Sweden — Mats Wilander of Sweden, the world's third-ranked tennis player, was drawn Thursday to face India's No. 1, Ramesh Krishnan, in the opening match Friday of the Davis Cup final between the two countries.

Anders Jarryd, replacing Stefan Edberg as Sweden's No. 2 singles player in the final, will meet India's playing captain, Vijay Amritraj, in the day's second match.

Edberg, who sprained his right foot in practice Monday, but was back in training two days later, is to team with Jarryd against the Amritraj brothers, Vijay and Anand, in Saturday's doubles match. Each captain, however, can make changes in his doubles teams and does not have to announce his pairs until one hour before the match starts.

Jarryd, who has never played singles in a Davis Cup final before, will play Krishnan first Sunday, followed by Amritraj against Wilander.

"I'm happy with the draw, but I don't think it's so important," said Hans Olsson, who has captained the Swedish team in four previous finals and has a 21-3 record since 1982.

The matches will be played on the clay court at the 12,000-seat Scandinavium Arena. Sweden is heavily favored to regain the trophy it lost to Australia on grass in Melbourne a year ago.

"We can't do worse than the Americans did here three years ago," said Vijay Amritraj, referring to the Swedish final rout of the U.S. team featuring John McEnroe and Jimmy Connors.

"But, then again, as I've said earlier, we have absolutely nothing to lose."

**Edberg Out of Davis Cup Singles**

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**Dale Brown chewed down a net after a victory in 1986.**

asks, "What were they going to find wrong? Were they hiding anything? Did we do anything illegal?" I said to the guy on the phone, don't you people have anything better to do?"

"It's unethical," said Tennessee's coach, Don DeVoe. "That's just my opinion. There may be a time when someone genuinely wants to hire a high school coach who happens to have a good player. But it doesn't happen often. And it doesn't happen 5 times in 15 years."

DeVoe says he has never been trading swipes for a long time, so when DeVoe brought up the ethics issue recently, Brown couldn't resist a shot back: "Well, I think divorce is unethical." DeVoe was divorced several years ago and is remarried.

Brown is a street fighter. He talks often about his mother raising him alone in North Dakota and his boyhood hardships. That toughened him, he says, and he doesn't ignore critics. He goes right back at them.

His most recent target has been Knight. Knight was named MVP of LSU at the buzzer for a spot in last season's NCAA final four. Knight received a technical foul in the first half of that game, but after pounding on the scorer's table and breaking a phone, "wasn't disciplined further," Brown is still incensed.

"He's a bully and he intimidates people," Brown said. "He gets away with things and no one will criticize him. Well, I won't be afraid of him and I don't like the way he operates. And every time I have a chance, I'll say so."

Knight is a powerful and influential figure in Baton Rouge, La., and, frankly, doesn't care. He has survived too much, fought too many fights, dealt with too many critics, to worry now. He is 52, he is wealthy and a year from now he probably will have a good team.

"I don't worry about winning the national championship," he said. "We'll win it. The only question is when, not if."

And with whom would he like to open next season? "The same team I tried to open with this season," he said. "If I can get them out of the Dome, Knight wouldn't do it. I'll play him any place, any time."

**WARSAW**—A women's basketball game in the Polish League had to be halted because of an outbreak of "soccer-hooliganism," the newspaper Kurier Polski has reported.

About 30 fans of the Wisla team from Krakow traveled to Lodz to see their squad play LKS, the paper reported Wednesday. About 10 minutes into the game, the referees had to stop play because a fight had broken out in the stands between rival spectators who were using "belts, sticks and even chains."

Thirteen of the Krakow fans were fined between \$34 and \$200 each.

"For the first time, 'soccer-hooliganism' has come to basketball, which has so far been regarded as a much safer sport," the newspaper commented.

*The Associated Press*

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Hockey	
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## Basketball

### Assessment

### Boots West Company

**Again**

*The Associated Press*  
COLUMBIA, South Carolina — A virtual museum of basketball memo-

rabilia has been lost in a fire that destroyed the home of Hall of Fame coach Frank McGuire, who, with his wife, escaped with only single hair.

"All we escaped with were the clothes on our backs," McGuire, 74, said Wednesday as firefighters poured water on the smoldering ruins of the suburban house he built 25 years ago. Hall of Fame ring in my pocket.

McGuire compiled a 283-142 record at South Carolina before his retirement in 1980. He had coached at St. John's following World War II, then at North Carolina from 1953 to 1961, posting a 164-58 record. His 1957 Tar Heels coach the Witt Chamberlain-led Kansas Jayhawks, 34-53, to complete a 32-0 season with the NCAA title.

He said firefighters believed the blaze was caused by a gas leak that probably was ignited by a spark when his wife, Jane, plunged in their Christmas tree shortly after 5 P.M.

Mrs. McGuire had converted the home's two-car garage into a trophy room. It was filled with pictures, scrapbooks and basketballs, and all McGuire's sports awards since his playing days at St. John's.

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